99th Congress, 2d Session - - - - - - - - - - - - - House Document 99-206

FISCAL YEAR 1987 BUDGET OF THE DISTRICT OF COLUMBIA

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE FISCAL YEAR 1987 BUDGET OF THE DISTRICT OF COLUMBIA, PURSUANT TO PUB. L. 93-198, SEC. 446 (87 STAT. 806); PUB. L. 98-473, SEC. 101(b) (98 STAT. 1837)

April 22, 1986.—Message and accompanying papers referred to the Committee on Appropriations and ordered to be printed

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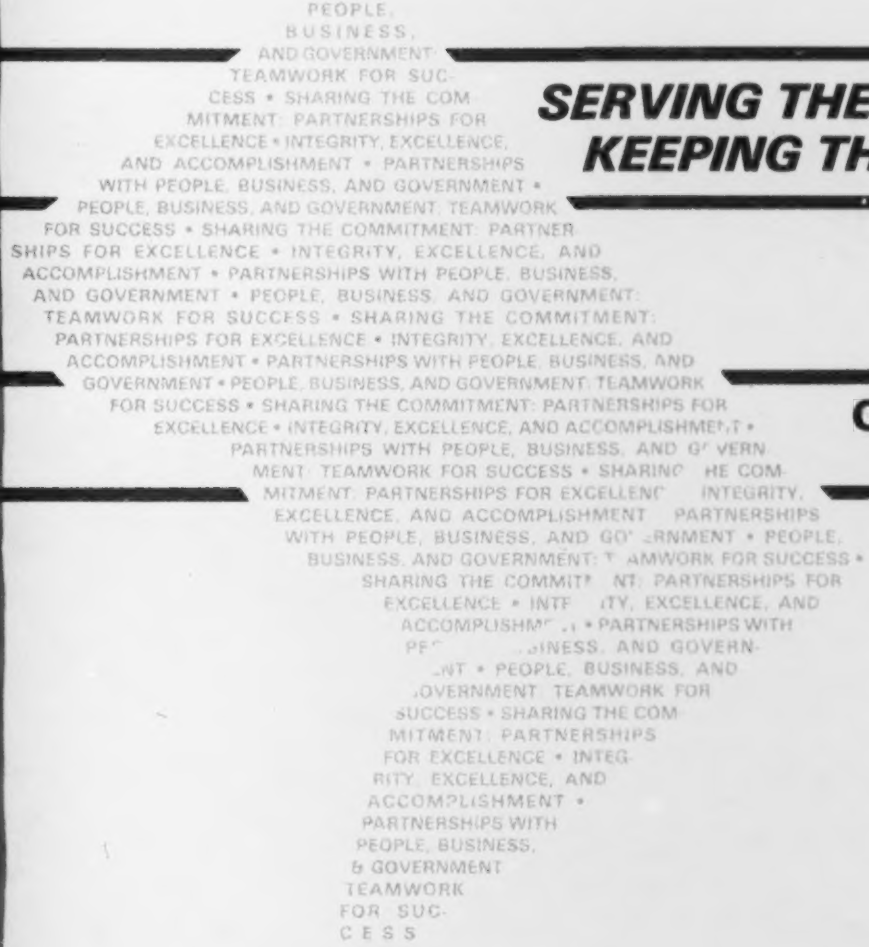
To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the fiscal year 1987 Budget of the District of Columbia.

The proposals for Federal payments to the District of Columbia reflected in this document are consistent with those in the amended 1987 Federal Budget submitted to the Congress.

RONALD REAGAN.

THE WHITE HOUSE, *April 22, 1986.*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SERVING THE PEOPLE, KEEPING THE TRUST

OPERATING BUDGET

FISCAL YEAR 1987

District of Columbia Government

Marion Barry, Jr.
Mayor

Prepared for the use of the Congress of the United States

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SERVING THE PEOPLE, KEEPING THE TRUST

OPERATING BUDGET

FISCAL YEAR 1987

District of Columbia Government

Marion Barry, Jr.
Mayor

Wilhelmina W. Marshall
Coordinator
Office of the Budget

Prepared for the use of the Congress of the United States

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INTRODUCTION

The annual budget preparation process for the Government of the District Columbia is a very long and complex one. It begins almost 15 months before the fiscal year for which the budget is being developed. It includes a process for citizen participation in the preparation phase.

The budget request requires the review and approval of two legislative bodies--the Council of the District of Columbia and the Congress of the United States. Finally, the process must produce a balanced budget, and that budget must satisfy both District and federal appropriation laws.

The basic legal requirements for the District's annual budget request are provided in the District of Columbia Self-Government and Governmental Reorganization Act of 1973, as amended (P.L. 93-198), commonly referred to as the Home Rule Act or the Home Rule Charter. This Charter states, "At such time as the Council may direct, the Mayor shall prepare and submit to the Council each year, and make available to the public, an annual budget for the District of Columbia government . . . ." For fiscal year 1987, the Council set February 3, 1986, as the date for the Mayor to submit the annual budget.

DISTRICT BUDGET FORMULATION AND REVIEW

The budget process begins approximately 15 months prior to the beginning of the budget year. Throughout that period, the Mayor receives substantive input from citizens and advisory groups, especially the Mayor's Advisory Committee on Resources and Budget. Such informational exchanges play an important part in the decision-making process.

During the formal budget formulation period, the Mayor meets with department heads to discuss the agencies' budget plans, including recommendations from District citizens. After these meetings, the Mayor establishes for each agency an expenditure ceiling referred to as a mark. Based on that mark, each agency prepares its budget and forwards it to the Mayor for submission to the Council. The Mayor assembles all the agency budget submissions, as well as the required supporting documentation, into an annual budget request, which he then formally transmits to the Council on the submission date it has set by resolution.

The Charter provides that the Council shall adopt by act an annual budget within 50 days after the receipt of the Mayor's budget proposal. During that 50-day review period, the Council conducts public hearings, enacts legislation adopting the annual budget, and submits the budget act to the Mayor for approval.

The Mayor has 10 working days in which to approve in whole or in part the budget enacted by the Council. The Mayor may accept or reject any item or provision approved by the Council. If the Mayor rejects an item, he is required to provide the Council with specific reasons for such veto and to return a copy of the act to the Council, which then has 30 calendar days to override the Mayor's veto and take final legislative action. The Council may override a mayoral veto by a two-thirds majority of the members present and voting.

PRESIDENTIAL REVIEW

The District is required to forward two submissions to the President. The Mayor is responsible for submitting the budget act to the President for review and transmittal to Congress. The Chairman of the Council forwards to the President a list of budget items or provisions that were proposed in the executive budget which were (a) approved by the Mayor and (b) vetoed by the Mayor.

The President has the authority to conduct a comprehensive line-item review of the District's appropriated budget. In recent years, however, he has elected to restrict his examination of the budget to the level of outlays from federal funds, including the (1) federal payment, (2) payment in lieu of reimbursement for water and sewer services to federal facilities, (3) retirement fund contributions, and (4) special federally funded initiatives. The President's principal agent for reviewing the District's budget is the Office of Management and Budget. The District's budget proposal is transmitted to the Congress by the President with his recommendation on the level of the federal payment and other federal outlays.

CONGRESSIONAL REVIEW

Unlike the Presidential review, the Congress conducts a detailed line-item review of the District's budget similar to the process employed by the Mayor and District Council. The Congress' principal agents for reviewing the District's budget are the House and Senate Appropriations Subcommittees for the District of Columbia. The congressional review is similar to the process used by the Congress for review of federal budgets and is accomplished through appropriation hearings. After the hearings, the House and Senate subcommittees mark up the budget, which is followed by the approval of both the full appropriations committees and both houses of Congress.

After action by both the full Senate and the full House, a conference committee consisting of members of the House and Senate appropriations committees is appointed to reconcile differences between the House and Senate versions of the District's budget. Conference committee recommendations are returned to the House and the Senate for final action. Normally, such recommendations are accepted without change, and the District's budget is enacted and submitted to the President for signature. The law becomes effective when it is signed by the President.

SUPPLEMENTALS AND AMENDMENTS

Because of unforeseen or emergency situations, an already enacted budget may need to be changed or altered. This change is referred to as a budget supplemental. Supplemental requests usually are much smaller in size than regular annual budget requests. Nevertheless, the full budget process must be completed at both the local and federal levels .

Another element of the budget modification process is referred to as a budget amendment. The budget amendment proposes changes in a regular budget while it is still under legislative review. Both budget amendments and supplementals may be proposed for operating budget estimates or capital estimates.

THE BUDGET DOCUMENTS

This FY 1987 Operating Budget, which constitutes the District's formal fiscal year 1987 budget request, provides the budget summary required by the Home Rule Charter. The operating budget includes, as well, all the other statutorily required budgetary material, and it is supplemented by the Supporting Schedules to the FY 1987 Operating Budget. The first three volumes of the Supporting Schedules provide, at the object class level, budgetary data by fund and agency, control center, and responsibility center. A fourth volume provides detailed personnel and position data for each agency. An overview of the FY 1987 Operating Budget follows.

CHAPTER I: OVERVIEW

This chapter provides a brief description of the proposed FY 1987 budget request, including the financial plan. The financial plan reports all sources of revenue and all projected expenditures for the General Fund for FY 1987. The plan documents, as required by law, that the FY 1987 budget is balanced. Moreover, the General Fund financial plan is presented in a manner consistent with the District's comprehensive annual financial report.

CHAPTER II: FOUNDATIONS FOR THE FY 1987 BUDGET

This chapter describes in detail the economic and fiscal setting in which the FY 1987 General Fund operating budget was formulated. It provides a current services estimate and an analysis of District spending patterns by object class. The current services forecast provides a benchmark against which new programs initiatives, productivity improvements, and budget increases and decreases can be measured.

CHAPTER III: SPECIAL BUDGET ISSUES

This chapter discusses in detail issues that are critical to the development of the FY 1987 budget request, as well as those likely to have a long-range impact on the District's fiscal health and service requirements. The FY 1987 discussion includes such topics as wage agreements, health benefits, deficit reduction, and cash management. This chapter also provides an extended analysis of the Gramm-Rudman-Hollings amendment.

CHAPTER IV: THE FY 1987 OPERATING BUDGET REQUEST

This chapter discusses in detail what is being proposed in the FY 1987 budget. It provides a comparison of the approved FY 1986 budget with the proposed FY 1987 budget and explains the reasons for any changes by the following spending categories: labor costs, energy, rent and communications, supplies, equipment, contractual services, transfers and subsidies, and debt service. This chapter also includes a summary of each proposed agency budget, providing actual and projected FY 1985, FY 1986, and FY 1987 funding, as well as comparative performance measures for a three-year period. The agency descriptions are organized by major function categories called appropriation titles. These descriptions summarize the material found in the Supporting Schedules.

CHAPTER V: THE MULTIYEAR PLAN

This chapter projects the difference between expenditures and revenue that will occur in future years as a result of the proposed FY 1987 budget and the policy actions implicit in that budget. The plan, which covers a five-year period, also indicates alternative actions that might be taken to eliminate future-year spending gaps.

CHAPTER VI: PROPRIETARY FUNDS

This chapter reviews the financial plans and program priorities of the District's municipal university fund and the enterprise funds: the Water and Sewer Utility, the Washington Convention Center, and the Lottery and Charitable Games Control Board.

CHAPTER VII: FY 1987 CAPITAL BUDGET REQUEST

This chapter provides a summary description of the capital projects that are requested for FY 1987. It further provides by appropriation title a tabular listing of each proposed capital project and its requested appropriation.

CHAPTER VIII: APPROPRIATIONS LANGUAGE

This chapter presents the FY 1987 appropriation bill. This language provides the basis for the federal FY 1987 appropriation bill for the District of Columbia.

APPENDICES

Several appendices included in this section provide detailed information ranging from the history of the federal payment to a list of fund classifications used in the District of Columbia budget preparation process. The reader is especially encouraged to review the glossary of budget terms included as Appendix I.

CHAPTER I: OVERVIEW

The proposed fiscal year 1987 operating budget expenditures for the District of Columbia total $2,441,613,000. This spending is financed by $1,981,613,000 in locally generated revenue, $444,500,000 in federal payment, and $35,000,000 in special federal subsidies for Saint Elizabeths Hospital.

The FY 1987 budget represents stability for most District programs and judicious growth in those of the highest public priority. Though local economic growth will be slower than in the recent past, and local revenue collections will reflect this slower growth, the foundation of disciplined fiscal management laid in previous years permits the limited FY 1987 funds to support high-priority programs in jobs, employment training, housing assistance and repair, and human support services. In addition, limited funding will be available to expand and initiate important programs in those areas.

The District's economic, fiscal, and programmatic plans are threatened, however, by federal deficit reduction activities, including the loss of federal Revenue Sharing and the impact of the Gramm-Rudman-Hollings Act. The recent passage of federal balanced budget legislation mandates serious reductions in federal spending that have the potential of wreaking havoc on District budgeting, and by extension, on District programs and services. Though its full impact is still unclear, this legislation will reduce significantly the District's federal support in the current year, FY 1986, and mandate extremely serious additional cutbacks in FY 1987 and beyond.

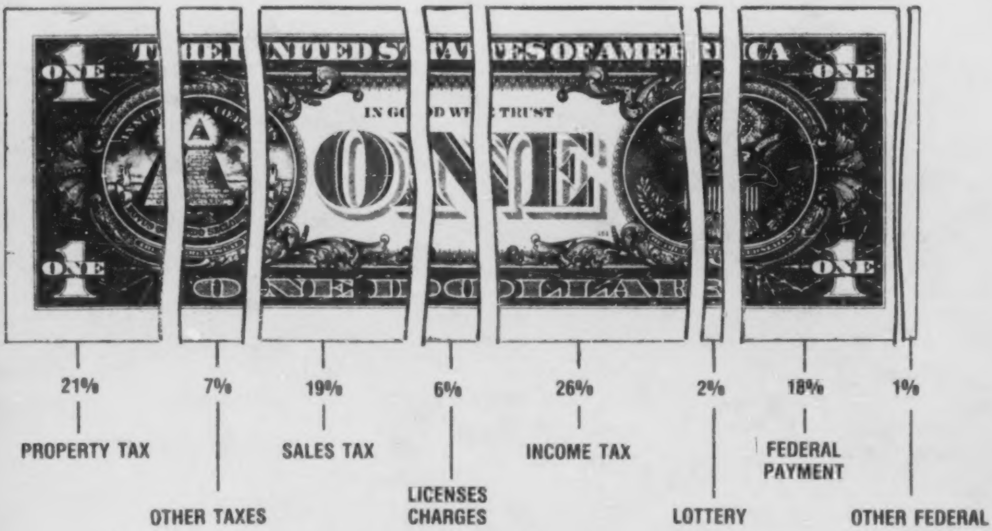
The outlook for the five-year planning horizon suggests that future expenditure needs will exceed available revenues, but by smaller amounts than estimated in the past. This development reflects forecasts of continued economic growth at current levels. The District expects that with careful financial management, future budgets can continue to support current levels of services in most programs.

The longer-term planning horizon remains plagued, however, with serious structural financial problems that can be resolved only by realigning the federal-local fiscal relationship. These problems include (1) the underfunding of federal pre-Home Rule retirement liabilities; (2) the failure of the federal government to enact a formula-based federal payment (a failure made more serious when viewed in the context of potential Gramm-Rudman-Hollings cuts); (3) the existence of an accumulated deficit that has been reduced--without federal participation--by 35 percent exclusively through local actions; and (4) the federal prohibition on nonresident taxation. Only when these critical issues are resolved can the District look to its long-term financial future with complete confidence.

THE FY 1987 BUDGET: WHERE THE MONEY COMES FROM

As shown in Figure I-1, the District's revenue comes primarily from local taxes, fees, and charges. The federal payment, an in-lieu-of-tax payment by the federal government, and special federal support for Saint Elizabeths Hospital account for just 19 percent of total appropriated revenue in FY 1987, down from 21 percent in FY 1986. No new taxes or increased tax rates are proposed to balance the FY 1987 budget.

Figure I-1
WHERE THE MONEY COMES FROM



ALL FY 1986 REVENUE FROM CURRENT AUTHORITY TAXES

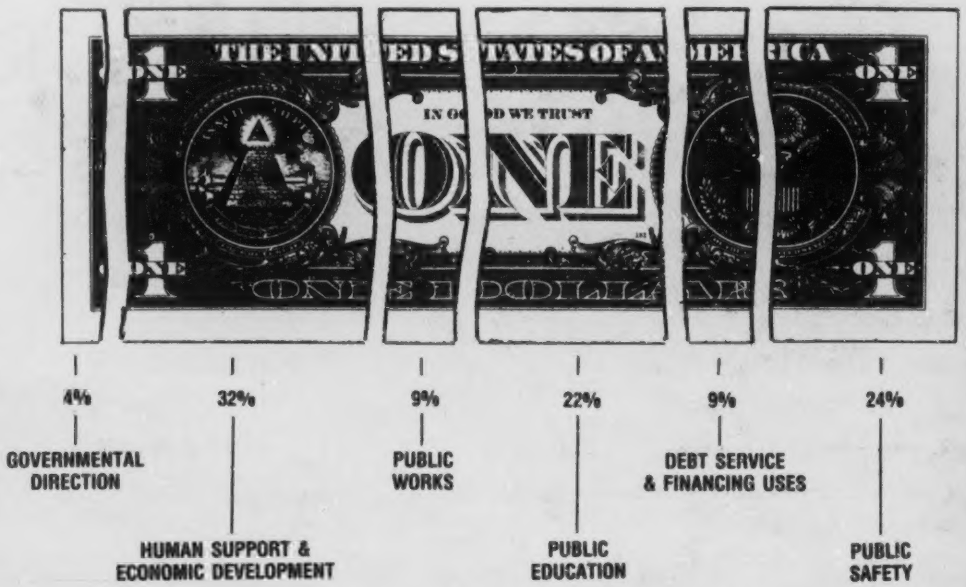
Source: District of Columbia Department of Finance and Revenue

WHERE THE MONEY GOES

The District's budget is organized into both functional program areas and spending categories. Program areas and regulations include governmental direction and support, economic development and regulation, public safety, public education, human support, public works, and other financing uses.

The FY 1987 budget proposes to spend the largest amount of funds for human support and economic development, the fastest-growing areas of the budget in FY 1987 (see Figure I-2). Public safety, including corrections, police, fire, courts, etc., accounts for the next largest program area. The increase in public safety spending is due mainly to the court-ordered mandate to relieve prison overcrowding. Next in order of program size is public education. Governmental direction--which includes, among others, the Office of the Mayor, the Council of the District of Columbia, and all the District's support agencies--continues to represent the smallest area of increase, expending less than five percent of total appropriated resources.

Figure I-2
WHERE THE MONEY GOES



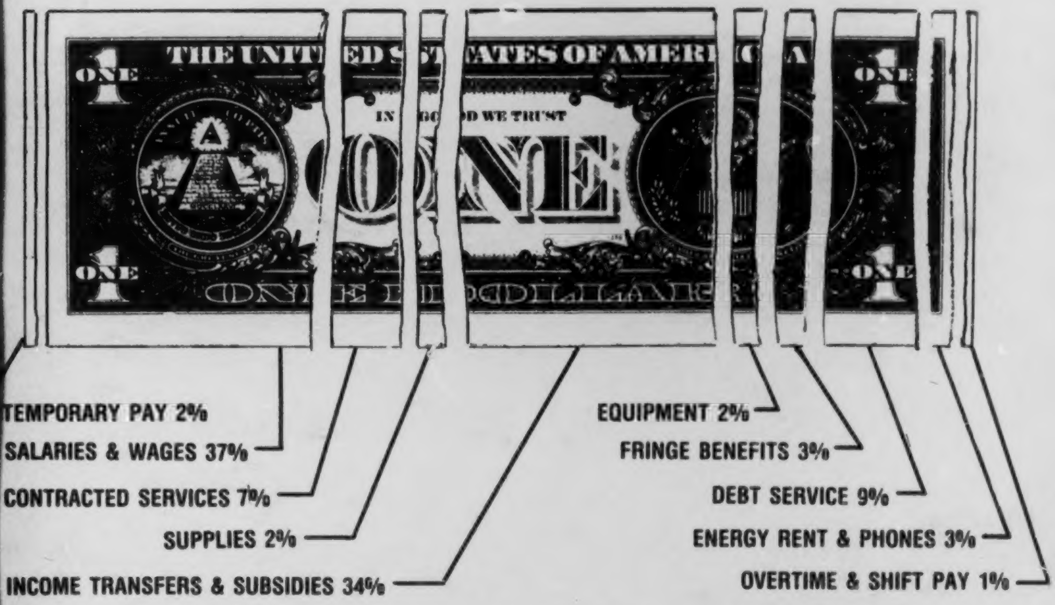
Source: District of Columbia Department of Finance and Revenue

WHAT THE MONEY BUYS

Regardless of program or functional area, all budgets are built by allocating resources across certain standard spending needs. Payrolls, supplies, utility costs, equipment, rent, and phone bills are planned for in government agencies in much the same way as allowances, mortgages, food costs, and car payments are considered in household budgets.

The District of Columbia's FY 1987 budget proposes to spend the majority of its funds in two spending categories: salaries and wages, and income transfers and subsidies. Together, these costs account for more than 70 percent of the District's budget. Figure I-3 shows what the District's FY 1987 dollar will buy by spending category.

Figure I-3
WHAT THE MONEY BUYS



*POLICE, FIREFIGHTERS, TEACHERS AND JUDGES' PENSIONS ARE INCLUDED IN TRANSFERS AND SUBSIDIES, NOT FRINGE BENEFITS.

Source: District of Columbia Department of Finance and Revenue

FY 1987 FINANCIAL PLAN

The proposed FY 1987 request for General Fund budget authority provides a total of $2,441,613,000 for operating expenditures and a partial repayment of the General Fund deficit. This request will be financed by $2,441,613,000 of projected revenue and transfers-in. An additional $538,314,000 in federal and private grants and other reimbursements are expected to be self-financing.

Table I-1 presents the General Fund financial plan. The format of this plan conforms to the FY 1985 Comprehensive Annual Financial Report (Exhibit 3, page 19).

The local-source revenue financing the appropriation, $1,933,479,000, includes $1,775,200,000 in tax revenue; $120,497,000 in revenue from license and permit fees, fines and forfeits, charges, and miscellaneous sources; and $37,782,000 from various taxes, fees, and fines for parking and licensing violations, pending authorization of a tax amnesty program, increases in the cigarette tax and several license fees, and implementation of proposed enforcement programs. The FY 1987 current authority estimates of revenue and transfers-in are discussed in the Current Services section of Chapter II, and the pending authority measures are presented in Chapter V, The Multiyear Plan.

The $47,634,000 profit from the lottery is shown under other financing sources because it is a transfer-in from the enterprise fund. The estimated $500,000 in proceeds from the sale of fixed assets is also another financing source.

Only $2,294,044,000 of the $2,441,613,000 proposed General Fund appropriated budget is considered, for financial planning and reporting purposes, to be expenditures. The expenditures of seven agencies are treated as transfers to other funds: the proposed budget for the Housing Finance Agency for its administrative expenses and the recommended subsidies to D.C. General Hospital, the University of the District of Columbia, and the Convention Center, and three budgeted transfers of operating revenue to the Capital Projects Fund to help finance capital expenditures of the Department of Housing and Community Development, the Board of Education, and the Department of Human Services. The $8,675,000 budgeted for a repayment of the General Fund deficit is shown as a planned excess of revenue over expenditures and other financing sources and uses.

Table I-1
FY 1987 GENERAL FUND FINANCIAL PLAN ($ Thousands)

	Appropriation	Grants and Other Revenue	Total General Fund
Revenue:			
Local Sources, Current Authority:			
Property taxes	513,600	...	513,600
Income taxes	618,800	...	618,800
Sales taxes	469,600	...	469,600
Other taxes	173,200	...	173,200
Licenses, permits	34,033	...	34,033
Fines, forfeits	30,505	...	30,505
Service charges	35,298	...	35,298
Miscellaneous	20,661	60,606	81,267
Subtotal, Current Authority	1,895,697	60,606	1,956,303
Local Sources, Pending Authority	37,782	...	37,782
Subtotal, Local Revenue	1,933,479	60,606	1,994,085
Federal Sources:			
Federal payment	425,000	...	425,000
Saint Elizabeths	35,000	...	35,000
Grants	...	477,708	477,708
Subtotal, Federal Sources	460,000	477,708	937,708
Total Revenue	2,393,479*	538,314	2,931,793

*Excludes $47,634,000 from the Lottery and $500,000 in proceeds from fixed asset disposition. Total revenue and other sources financing the appropriation are $2,441,613,000.

Table I-1
FY 1987 GENERAL FUND FINANCIAL PLAN (Cont.) ($ Thousands)

	Appropriation	Grants and Other Revenue	Total General Fund
Expenditures:			
Current:			
Government Direction and Support	108,353	3,544	111,897
Economic Development and Regulation	125,070	148,094	273,164
Public Safety and Justice	580,665	5,138	585,803
Public Education System	463,857	44,167	508,024
Human Support Services	603,087	322,122	925,209
Public Works	204,748	15,249	219,997
Short-term Borrowing	3,750	...	3,750
Debt Service:			
Principal	52,370	...	52,370
Interest	152,144	...	152,144
Total Expenditures	2,294,044	538,314	2,832,358
Excess of Revenue Over (Under) Expenditures	99,435	...	99,435
Other Financing Sources (Uses):			
Fixed Asset Disposition Proceeds	500	...	500
Operating Transfers In (Out):			
Lottery and Charitable Games	47,634	...	47,634
Housing Finance Agency	(2,390)	...	(2,390)
D.C. General Hospital	(50,930)	...	(50,930)
University of D.C.	(69,015)	...	(69,015)
Convention Center	(6,261)	...	(6,261)
Capital Projects Fund	(10,298)	...	(10,298)
Subtotal, Other Financing Sources (Uses)	90,760	...	90,760
Total Expenditures and Other Financing Sources (Uses)	2,384,804	538,314	2,923,118
Excess of Revenue Over Expenditures and Other Financing Sources (Uses)	8,675	...	8,675

CHAPTER II: FOUNDATIONS FOR THE FY 1987 BUDGET

Budgets are spending plans for the future that are influenced by and ultimately affect local social and economic conditions. Past budgets are also building blocks for subsequent budgets. For example, past efforts to reduce dependency and constrain rapidly escalating program costs may lower present expenditure requirements. Moreover, past economic development initiatives may increase the revenue base.

The proposed FY 1987 General Fund operating budget is influenced by the surprisingly strong economic recovery of 1984 and 1985 and a moderating prospect for the next two years. Though the local economic base will continue to grow in FY 1986 and FY 1987, the expansion will be significantly less than in recent experience, and will not provide revenues sufficient to support major public service and program initiatives. District efforts in previous years to control spending and the FY 1986 budget's commitment to sustain and enhance important programs and services have provided the foundation for a FY 1987 spending plan that will support essential current services and permit limited expansion of top priority District programs without a tax increase.

This allocation of resources in FY 1986 and FY 1987, however, is threatened by unforeseen spending needs and by federal deficit reduction legislation. The federal legislation, a mandate that could affect the District's federal payment as well as various grant revenues, presents the greatest potential problem to the District. If implemented permanently, it could cause serious disruption to District budget planning and program and service delivery.

This chapter describes in more detail the economic and fiscal setting in which the FY 1987 General Fund operating budget was formulated.

ECONOMIC OUTLOOK

Preliminary data indicates that the District's economy grew moderately in 1985. During the first half of the year, the District's personal income grew 7.1 percent, led by 9.1 percent private sector growth and particularly strong performances by the construction, services, manufacturing and finance, insurance and real estate sectors. Inflation fell to 3.7 percent, and employment improved, bringing the unemployment rate down to an estimated 8.5 percent.

The prospects are for slower growth in 1986. The District can expect further private sector expansion, moderate inflation and slight improvement in employment. Gramm-Rudman and other initiatives to balance the federal budget, however, pose a significant threat to the District's economy as well as its budget, promising to sharply diminish growth in public sector income and employment, transfer payments and federal procurement sales revenue.

PERSONAL INCOME

Personal income is one of the more useful measures for evaluating a jurisdiction's relative well-being and its economic performance. Income includes wages and salaries, dividends, interest, rent, royalties, pensions, annuities, and governmental transfers. Income levels relate directly or indirectly to the performance of almost all District revenue sources, including income taxes, various forms of sales taxes, property taxes, and the allocation of needs-based federal funds.

Total personal income earned in the District increased 10.0 percent in 1984 to $10,658 million. This rate of increase was slightly lower than that of Maryland and Virginia, which grew by 10.2 and 10.3 percent respectively, and that of the nation, which recorded 10.4 percent growth in 1984. The District's rate of total personal income growth slowed to 6.0 percent during the first two quarters of 1985, growing to a seasonally adjusted annual figure of $11,297 million. The District's growth during the first half of 1985 was faster than that of the nation, which grew only 5.6 percent but slower than the 6.9 percent growth enjoyed in Virginia and Maryland (see Table G-1, Appendix G).

The District's economy continued to perform well when evaluated on the basis of growth in per capita income, a measure which adjusts for changes in population. Per capita income in the District grew by 10.1 percent in 1984 to $17,113, a level higher than any state, except Alaska. This District's growth outpaced Maryland's (8.9 percent), Virginia's (8.7 percent) and the nation's (9.4 percent) (see Table G-2, Appendix G).

INCOME BY SOURCE. District residents receive their income from three sources: 1) income earned from wages, salaries and self employment; 2) income earned from interest, dividends, rents, and royalties, and 3) transfer payments, primarily consisting of payments by government to eligible individuals for retirement, unemployment, income maintenance, health insurance, and disability compensation.

Income earned from wages and salaries accounted for 60.7 percent of total District income by source and grew by 10.9 percent in1984 to $6,469 million. This rapid growth reflects the increased demand for labor and the expanded business opportunities brought on by the rapidly expanding economy in 1984. Growth in this type of income slowed to 7.1 percent in the first half of 1985, pointing to slowing economic growth in 1985 (see Table G-3, Appendix G).

Income from interest, dividends, rents, and royalties grew by 14.7 percent in 1984 to $2,113 million, making up 19.8 percent of total income by source. This rapid growth rate reflects the expanding investment opportunities across the nation brought on by economic expansion in 1984. Growth in this form of income, however, slowed considerably during the first half of 1985 rising 4.8 percent.

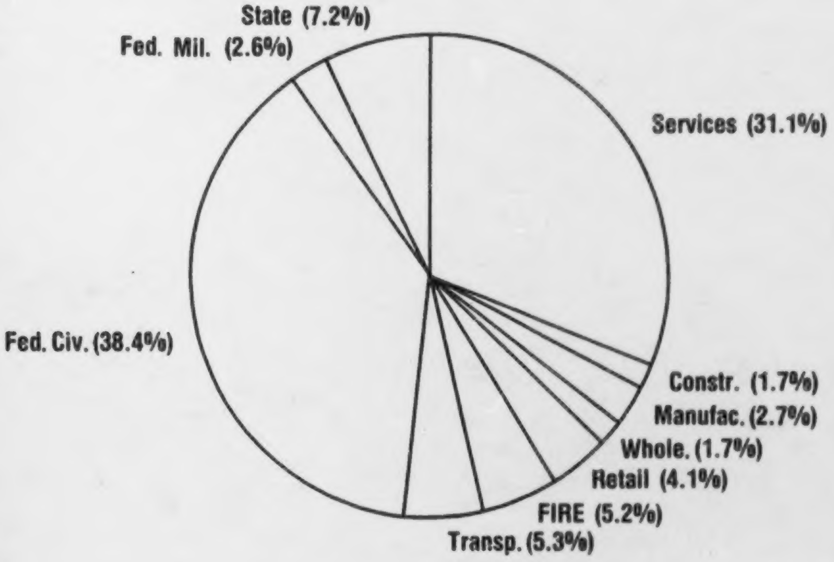
Transfer payments totaled 19.6 percent of the District's total income by source in 1984, and grew by 3.0 percent in 1984 to $2,113 million. This slow rate of growth largely reflects the impact of federal budget cuts in such programs as food stamps, Aid to Families with Dependent Children (AFDC), and workers compensation. Transfers grew 3.7 percent during the first half of 1985 to $2,152.

Because of federal budget cuts, the prospect for transfer payment income is for little or no growth through FY 1990. Civil service and military retirement payments, which together account for more than 35 percent of total transfer payment income in the District, would be effectively frozen if the automatic cuts imposed by Gramm-Rudman are implemented. While Gramm-Rudman would exempt several major federal transfer payment programs, such as Social Security, AFDC, and food stamps, from cuts, other federal programs, such as Medicare and Unemployment Compensation, would be cut in FY 1987. Even if the deficit ceilings can be met without automatic reductions, it is likely that cuts in transfer payment programs will be required. In meeting the target without automatic cuts, all programs, including those exempt from automatic reductions, could be subject to cuts.

Any cuts in transfer programs will hurt the District disproportionately because the District and other cities traditionally have a relatively large share of older and lower income people, many of whom rely on transfer payments for income.

INCOME EARNED BY SECTOR. Analysis of income earned by economic sector reveals that the District has a very different industrial mix than the nation as a whole, as shown in Figures II-1 and II-2. In 1984, the government sector contributed just under half--48.2 percent--of all personal income earned in the District. The service industry provided 31.1 percent of personal income earned in 1984. The two sectors provided close to four of every five dollars earned in the District (see Table G-4, Appendix G).

Figure II-1
DISTRICT INCOME BY SECTOR (1984)

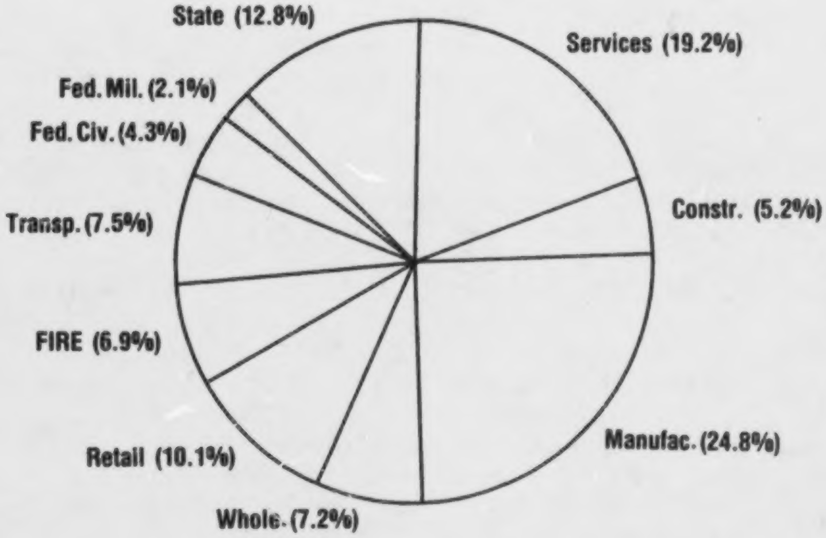


Source: U.S. Bureau of Economic Analysis

Public sector income grew by 6.2 percent in 1984. Income from state and local governments increased by 7.4 percent, while federal military and federal civilian income grew by 6.6 and 6.0

percent, respectively. Adjusting for inflation, income from the federal government increased by only 1.4 percent in 1984, and income growth from state and local governments was only slightly better at 2.6 percent. Annual growth in public sector income slowed to 5.6 percent in the first half of 1985, with federal civil service income growing by 6.2 percent, federal military income by 3.8 percent, and state and local government sectors by 3.0 percent. Income generated from the military and state and local government sectors fell behind inflation in the first half of 1985, and federal civil service income outpaced inflation by only 2.3 percent.

Figure II-2
UNITED STATES INCOME BY SECTOR (1984)



Source: U.S. Bureau of Economic Analysis

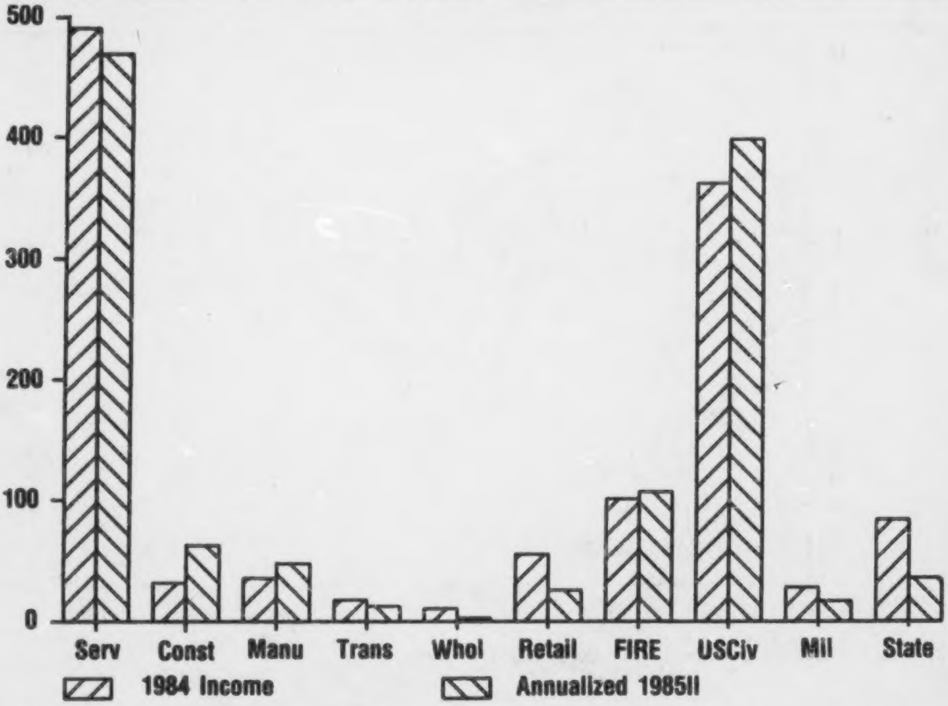
The prospects for growth in public sector income are not good. Meeting the federal deficit ceilings imposed by Gramm-Rudman may require freezing federal civilian and military pay for the foreseeable future. This would reduce the District's total personal income by approximately $270 million from projected levels in FY 1987 and cost the District government about $13 million in revenue. If federal workforce reductions are required to meet the deficit ceilings, losses to the District's personal income and tax revenue would be greater. Gramm-Rudman may also affect state and local government income growth because cuts in federal aid will tighten budgets at the state and local level, limiting the ability of these governments to increase pay and employment levels.

Gramm-Rudman also would affect federal purchases. The federal government contributes significantly to area income by purchasing goods and services from the private sector. Federal procurement in the District of Columbia totaled $1,831 million during FY 1984, or 10.6 percent of total personal income earned by place of work. A Greater Washington Research Center study found that federal purchases are particularly important to the District's trade and services industries, constituting over 20 percent of income for each of those sectors, and account for 10 to 15 percent of income for construction and public utilities. The goods and services provided by the District's businesses are probably less vulnerable to cuts than those in the surrounding suburbs. The District specializes in basic services and products, such as energy and security, which are less likely to be cut than research and development and consulting activities in which Maryland and Virginia businesses tend to specialize. If the District's federal procurements are cut by 5 percent to comply with Gramm-Rudman in FY 1986, District businesses would lose $91.5 million in earnings. A 10 percent reduction in FY 1987 would cost the District $188 million in personal income.

Private sector income grew by 10.5 percent in 1984. This solid growth was led by particularly strong performances in construction, which expanded by 14.5 percent, finance, insurance, and real estate, which expanded by 13.4 percent, and services, which grew by 11.8 percent in 1984. The retail trade and manufacturing sectors also did well, each growing by 9.4 percent. This expansion benefits the District's finances by boosting tax revenue from business activity. The District's taxable gross receipts grew by 10.4 percent in FY 1984, to $4,359 million. When adjusted for inflation, taxable gross receipts grew by 5.6 percent in real terms (see Figure II-3).

Growth in private sector income continued during the first half of 1985, expanding 9.3 percent on an annual basis. Construction continued to grow rapidly, expanding by 25.0 percent, followed by 12.5 percent growth in finance, insurance, and real estate, 11.5 percent growth in manufacturing, and 10.1 percent growth in services.

Figure II-3
INCOME GROWTH BY SECTOR (1984 AND 1985 SECOND QUARTER)



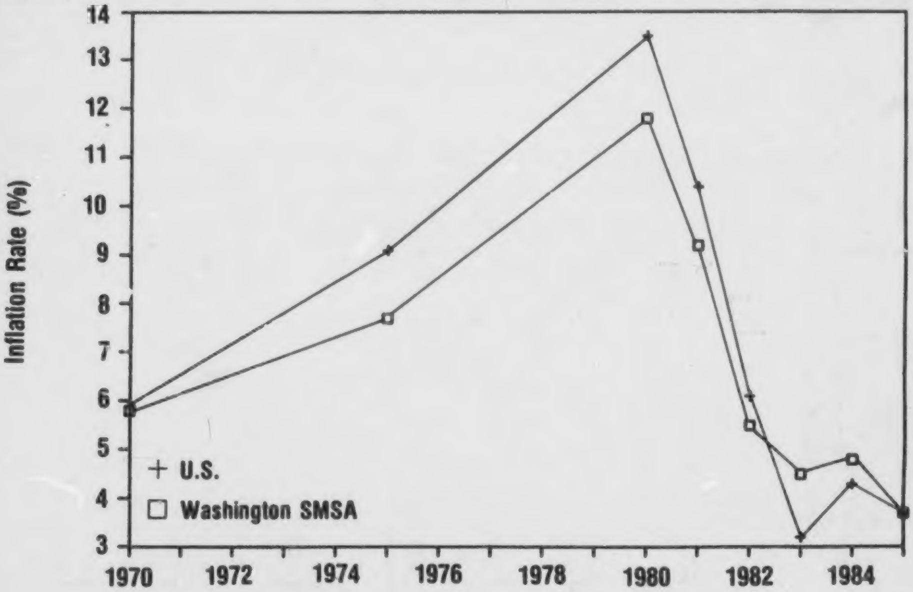
Source: U.S. Bureau of Economic Analysis

PRICES

Price changes are important to the District's finances because they are major determinants of its revenues as well as its expenditures. Higher product prices result in a higher sales tax base. Price changes also may alter the timing of purchases. Expenditures are affected because price changes affect the costs of the goods and services that the District purchases.

CONSUMER PRICES. Moderating trends in the rise of prices that began in 1982 continued in 1984. The Consumer Price Index for the Washington metropolitan area rose 4.8 percent in 1984, slightly higher than the 4.3 percent growth experienced in the rest of the nation. This trend continued in 1985, with November 1985 metropolitan area prices 3.7 percent higher than those of November 1984. As Figure II-4 shows, the high inflation that plagued the metropolitan area and the nation during the 1970s has fallen sharply since 1981.

Figure II-4
PRICE TRENDS IN THE WASHINGTON METRO AREA AND THE UNITED STATES, 1970-1985



Source: U.S. Bureau of Economic Analysis

PRICE TRENDS FOR SPECIFIC ITEMS. The Consumer Price Index is a useful measure of changes in prices faced by typical consumers. However, the goods and services purchased by state and local governments differ markedly from those of a typical cunsumer. For example, the District is a heavy consumer of energy--not only directly, to operate its police and fire vehicles and various government buildings and public housing, but also indirectly, to pay its share of Metro costs. The District is also a major consumer of telephone and medical services--to operate D.C. General Hospital and to pay its share of Medicare and Medicaid expenses. On an individual basis, inflation for medical care (6.7 percent) and telephones (4.4 percent) exceeded the overall rise in the area Consumer Price Index (3.7 percent) as measured from November 1984 to November 1985. Rates of price growth for other items--gasoline (3.3 percent), fuel oil (1.4 percent), electricity (-0.5 percent), and utility gas (-4.2 percent)--showed less growth in the Washington metropolitan area than the overall rise in the local CPI (see Table G-5, Appendix G).

The state and local deflator is a better measure than the consumer price index of price changes affecting the cost of goods and services purchased by the District and other state and local governments than the consumer price index. In FY 1985, the state and local deflator rose 2.2 percent.

INTEREST RATES

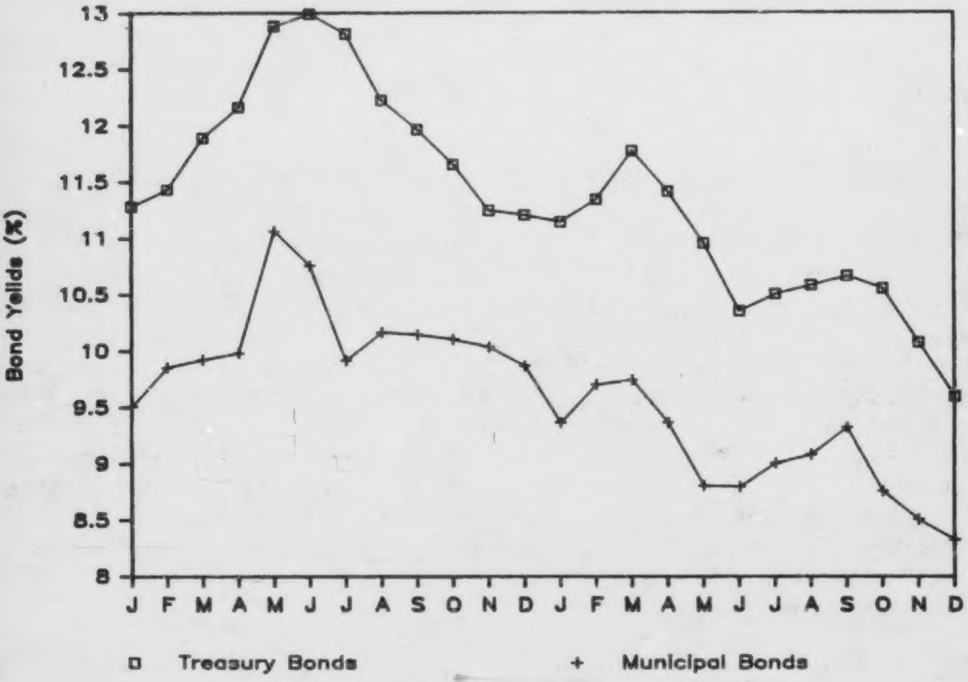
Interest rates are a major determinant of the District's borrowing costs. Changes in interest rates are important because a small difference in interest rates can make a large difference in total borrowing costs. For example, dropping the yield on a 30-year $20 million loan from 10 to 9 percent reduces the lifetime cost of borrowing by $5.2 million.

Interest rates rose through the first half of 1984, as reflected in a 15 percent increase in interest rates for intermediate-term Treasury notes. Interest rates increased because of very high federal borrowing to finance the national debt, along with relatively high corporate borrowing to replace aged and obsolete plant and equipment. Consumer borrowing also increased, rising almost 20 percent in 1984, as individuals sought to take advantage of prosperous times to replace cars, furniture, and appliances. This heavy demand for funds would have pushed interest rates higher if foreign capital had not entered the country to make up for most of the shortage. Net capital inflows doubled in 1984, pushing the United States close to becoming a net debtor nation, as foreign investors sought to take advantage of the relatively high growth and interest rates in this country.

International capital began to leave the country in 1985, as reports of poor economic performance in early 1985 and concerns over very high indebtedness shook investor confidence. The reduced supply of foreign capital, however, was offset by lower demand for commercial borrowing as well as expansive monetary policy. These developments brought interest rates down in 1985, as average annual interest rates for intermediate Treasury notes fell from 11.99 to 10.95 percent in 1985.

As Figure II-5 illustrates, yields for municipal bonds, the District's primary source of capital financing, generally follow the yields of Treasury notes. The difference in the average annual yield of tax exempt municipal bonds and taxable Treasury bonds narrowed by 9 basis points (or .09 percentage points) in 1985 because of the record issuance of municipal debt. Municipal issuers rushed to enter the municipal debt market before 1986, when proposed restrictions on the tax exempt status of many types of municipal debt could go into effect. Banks and several other long-term investors, concerned about losing this form of tax exempt holdings in 1986, eagerly bought municipal bonds, keeping yields from rising despite the record supply.

Figure II-5
TREASURY AND MUNICIPAL BOND YIELD TRENDS IN 1984 AND 1985



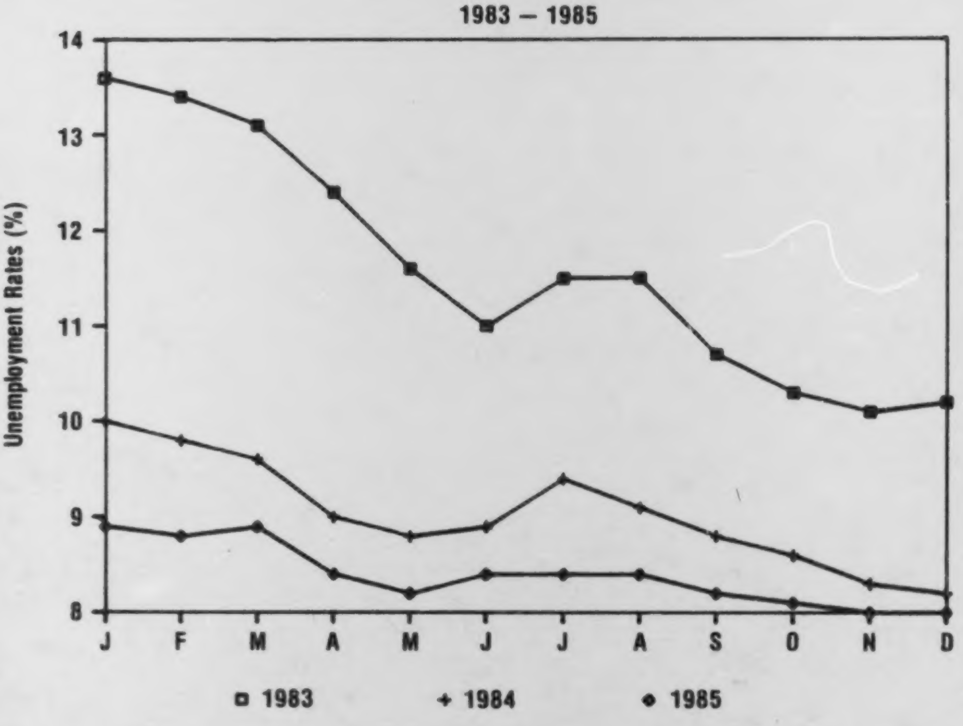
Source: U.S. Bureau of Economic Analysis

Interest rates are expected to continue to fall in 1986, and this should put some downward pressure on municipal yields. Consumer saving as a percentage of disposable income is very low, down from 6.1 percent in 1984 to 2.5 percent in September, and this should reduce consumer demand for credit in the first half of 1986. With the economy growing slowly and no sign of rising inflation, the Federal Reserve's expansive monetary policy should continue, pushing interest rates downward. However, proposed limitations on the tax exempt status of municipal bonds, as well as the tax benefits available to major municipal bond investors, will reduce demand for municipal bonds in 1986, driving municipal bond yields upward, perhaps by mid-year. (For further information on the effects of interest rates on borrowing costs, see the Debt Management Section in Chapter III)

EMPLOYMENT

Employment prospects for District residents improved in 1985, with an average of 1.0 percent, or 3,000 more people working in 1985 than in 1984. Unemployment fell in 1985, with an average of 6.9 percent, or 2,000 fewer people listed as unemployed than in 1984. This occurred despite the fact that an average of 1,000 additional residents entered the labor force. These positive trends caused the unemployment rate to fall from 9.0 percent in 1984 to 8.4 percent in 1985.

Figure II-6
UNEMPLOYMENT TRENDS IN THE DISTRICT



Source: D.C. Department of Employment Services

These improvements in employment are particularly good for the District's finances because employment growth increases taxable income and expands purchasing power. Lower unemployment reduces dependence on the District government, cutting requirements for District-provided shelter, medical, and financial assistance (see Table G-6, Appendix G).

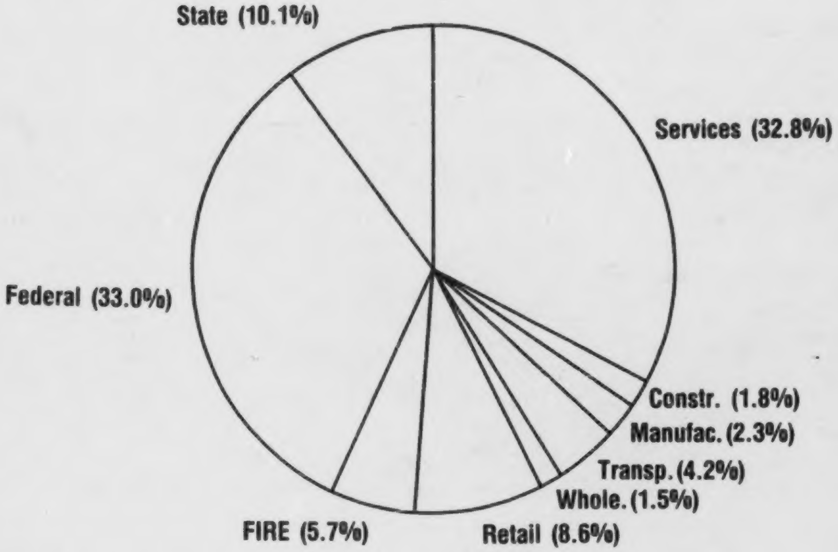
As Figure II-6 and Table G-6 indicate, the District's employment picture improved steadily since 1983, with monthly unemployment rates consistently lower than prior year levels. The District's employment prospects should continue to improve in 1986, but the rate of growth will probably slow, in keeping with the slower rate of economic expansion projected for 1986.

EMPLOYMENT BY SECTOR. Public sector employment increased by 6,500 or 2.4 percent from August 1984 to August 1985. Employment in the federal government grew by only 1.2 percent during this period, adding 2,500 positions mostly in defense-related agencies. State and local government employment increased by 4,000 positions, or 6.6 percent, reflecting some recovery from previous cutbacks.

The private sector added 9,100 people to its workforce, an increase of 2.6 percent from August 1984 to August 1985. Accounting for most of this growth were services, which grew by 2.7 percent and added 5,400 jobs, and retail trade, which added 1,400 jobs, growing 2.6 percent. Employment in each of these sectors grew by 2.6 percent during this period. Also contributing were construction, which increased its employment by 8.3 percent, adding 900 jobs, transportation and public utilities, which added 600 jobs and grew by 2.3 percent, and finance, insurance, and real estate (FIRE), which added 500 jobs, a 1.4 percent increase. The private sector employed 365,000 people, or 56.9 percent of the District's work force, in 1985 (see Figure II-7). This percentage will increase as public sector employment declines (see Table G-7, Appendix G).

SERVICES. Income generated by the services sector increased by 11.8 percent and 10.1 percent during the first half of 1985. Generating 29.0 percent of total 1984 personal income, services play a major role in the District's economy. Among the top ten metropolitan areas, Washington had the fastest growing service industries from 1977 to 1982, according to a recent study produced by the Greater Washington Research Center. Receipts for the District's service industries grew 251 percent during this period, 32 percent faster than metropolitan Boston, the next fastest growing metropolitan area, and grew almost twice as fast as metropolitan New York.

Figure II-7
DISTRICT EMPLOYMENT BY SECTOR (1985)



Source: D.C. Department of Employment Services

Growth in services was led by business services, which grew by 20.4 percent in 1984. Business services, largely data processing, management consulting, temporary services, building operation and maintenance, have grown dramatically as a result of increased governmental contracting, computerization, and reliance on temporary services. Demand for business services has been, and is expected to remain, strong, as the challenges and complexity of business and government continue to increase.

Income generated by hotels and lodging, a relatively small subsector of the services, grew 17.6 percent, reflecting growth in travel and tourism as well as renovation and construction of several major luxury hotels. Legal services income, grew 12.6 percent in 1984. Legal services have grown rapidly in the 1970s and 1980s because of the law's growing role in American life, a pattern showing no sign of change.

Income from educational services grew 12.4 percent in 1984. With federal funds for education and the number of college-aged people declining, the industry faces significant challenges, but appears to be minimizing the impact of these trends by adopting to fill the professional and technical needs of older students while meeting the broad educational needs of traditional students.

Health services grew 7.4 percent in 1984. This moderate growth reflects the challenging environment facing the health industry. District hospitals face growing pressure to contain health costs, compete for patients, and keep up with rapidly changing technology, while paying higher salaries and serving more poor patients than suburban hospitals. These challenges will become increasingly difficult as federal assistance declines. Membership organizations income increased 6.6 percent in 1984. The moderate growth in membership organizations, the largest subsector of the service industry, points to growing competition from the surrounding suburbs as centers for these organizations.

RETAIL TRADE. Retail sales in the Washington metropolitan area advanced by 9.4 percent in 1984. Retail sales in the Washington metropolitan area grew by 39 percent from 1980 to 1984, the third largest increase among the top ten metropolitan areas, according to the Greater Washington Research Center. The District's sales potential has been noticed by retailers, leading to the downtown's renaissance as a major retail center. Recent arrivals include the Pavillion at the Old Post Office, the Shops at National Place, and the new Hecht's building. Bloomingdale's, Nordstrom, and other major retailers have been exploring the District as well.

In 1984, retail trade was led by 13.9 percent growth in income generated by eating and drinking places. This rapid growth was largely due to increases in the number of affluent singles and two wage-earner households, two types of people who are likely to eat out often, according to the Greater Washington Research Center. The apparel and accessories industries also did well, growing 10.7 percent in 1984.

Growth in income generated by retail trade slowed to 4.0 percent during the first half of 1985. Increased consumer spending led the recovery in 1983 and 1984, so that by 1985 demand for durables had been depleted and consumers had incurred very high levels of debt. With the situation unchanged at the end of 1985, growth in retail sales is projected at 4.0 to 5.0 percent in 1986. Despite this pessimistic short-term outlook, most area retailers are optimistic that the District's economy, led by robust private sector expansion, will continue to support long-term sales growth.

FINANCE, INSURANCE, AND REAL ESTATE. The finance, insurance, and real estate industries performed well, showing income gains of 9.8 percent in 1984 and 12.5 percent during the first half of 1985. Nonbanking financial institutions experienced the fastest growth in 1984, 20.2 percent, as these institutions continued to outperform the more heavily regulated banking industry. Real estate performed well in 1984, growing 15.0 percent as a result of continued income growth and declining interest rates. Preliminary figures indicate that 1985 was an excellent year, with a 39 percent increase in commercial sales and residential sales up 14 percent over 1984 levels. Concern that tax reform will reduce depreciation allowances and other tax benefits from commercial property acquired after 1985 also boosted commercial property sales. With interest rates expected to fall, and new commercial property entering the market, 1986 should be another good year, although uncertainty over federal taxes will probably reduce sales below 1985 levels.

The banking industry income grew by a moderate 6.3 percent in 1984. Recent changes in the District's banking laws allowing regional banking and the entry of large "money center" banks should strengthen the industry by expanding business opportunities for area bankers, competition for District banking services and the supply of development capital.

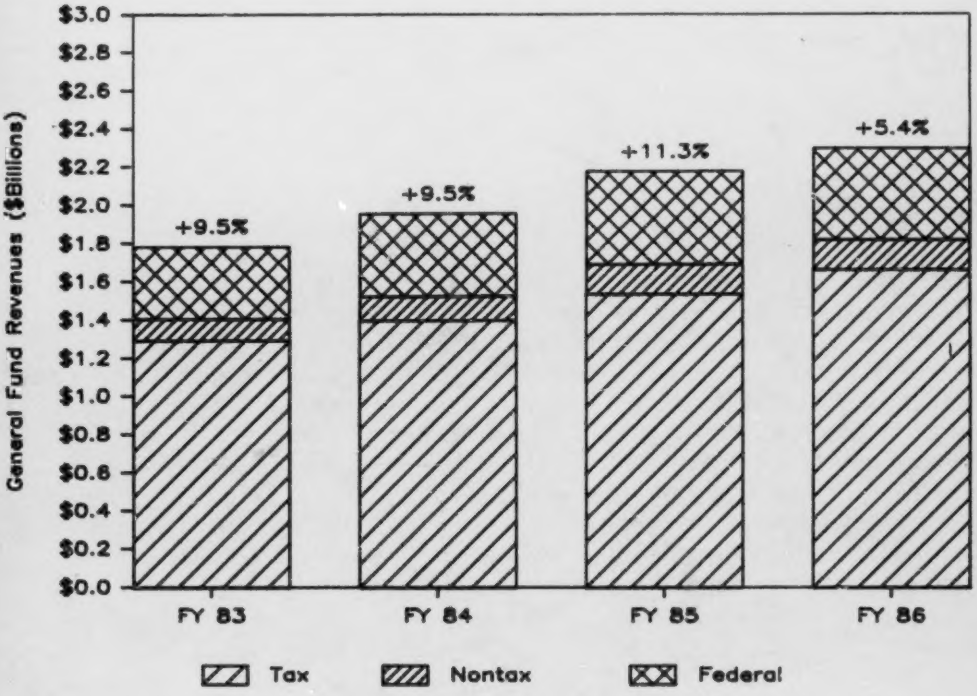
CONSTRUCTION. With income expanding 14.5 percent in 1984 and 25.1 percent during the first half of 1985, construction was the fastest growing sector in the District's economy. The District's construction boom has been brought on by the city's strong economic prospects and high quality of life, as well as declining interest rates and federal tax laws encouraging commercial development. Prospects for 1986 are not as optimistic because of the uncertainty caused by proposed changes in the federal tax code. Until final tax decisions are made, many investment decisions will be delayed, negatively affecting construction activity, property values, and sales.

Federal fiscal and monetary policy will have a strong influence on the District's economy over the next two years. At best, the innate strength of the local market will sustain solid, but somewhat slower growth. At worst, the local economy could be plunged into a lingering recession.

GENERAL FUND REVENUES, FY 1982-FY 1986

The District's appropriated revenues have grown steadily since FY 1982, increasing from $1.6 billion in that year to an estimated $2.3 billion level in FY 1986 (see Figure II-8). Between FY 1982 and FY 1985, the revenue growth rate rose from 9.5 percent to 11.3 percent per year. FY 1986 estimates, however, suggest that even though revenue collections are expected to exceed those originally budgeted, the growth rate will decline to 5.4 percent. This decline, largely attributable to reduction in federal support for special corrections programs, will not affect ongoing District services.

Figure II-8
GENERAL FUND REVENUES BY SOURCE, FY 1983-FY 1986



Source: D.C. Department of Finance and Revenue

District revenues continue to appear strong when adjusted for price inflation. The cost of goods and services governments purchase rose 19.9 percent between FY 1982 and FY 1985, while District appropriated revenues increased by 33.5 percent; this is a real growth rate of 11.3 percent during this period.

The greatest real growth (5.0 percent) occurred in FY 1985 when inflation dropped slightly. The local economy's rebound during the last two years from an earlier recession helped maintain tax revenue growth despite the dramatic decline in local price inflation. Should this trend continue, the District could anticipate adequate funding for priority programs and services. The FY 1986 outlook, however, suggests that such real revenue growth will not continue, in the immediate future, especially in the context of additional federal funding cutbacks.

SOURCES OF REVENUE

The District's revenue trends have not been uniform; there are significant differences in the growth rates of the various revenue sources (see Table II-1). Property taxes generally outperformed other tax revenues, and are responsible for a large share of the excellent revenue performance in FY 1985. Over the FY 1982-FY 1985 period, property tax collections increased 40.0 percent, compared to 27.5 percent for all other local taxes. Because property tax revenues provide approximately 20 percent of the District's total appropriated revenues, their rapid growth has proven essential to the District's healthy revenue experience.

Income and sales taxes, the District's other major tax sources, provided 24 percent and 19 percent, respectively, of the District's revenues in FY 1985. Between FY 1982 and FY 1985, income tax collections climbed 29.1 percent and sales taxes, 33.0 percent. These increases, though less than those experienced by property tax revenues, nonetheless represent real growth, that is, growth in excess of inflation, and have contributed to the District's relative fiscal well-being of recent years. Especially noteworthy is the performance of the sales and use and hotel occupancy taxes: sales and use revenues rose 11.7 percent in FY 1985 alone, and hotel occupancy, by 30.1 percent. New and attractive downtown development, including stores, restaurants, hotels, and the D.C. Convention Center, have contributed heavily to these revenue increases.

Local nontax revenues, sluggish between FY 1982 and FY 1984, experienced a sudden 24.5 percent jump in FY 1985 to produce an overall 47.0 percent increase for the three-year period. This is attributable primarily to growth in lottery revenues, fines and forfeits, and interest income. Because this revenue category represents only seven percent of District revenues, the recent rapid growth has had little impact on the District's overall budget.

Table II-1
GENERAL FUND APPROPRIATED REVENUES, FY 1982-FY 1985 ($ Millions)

Revenue Type	FY 1982 Actual	FY 1983 Actual	FY 1984 Actual	FY 1985 Actual	% Incr. FY82-85
Tax:					
Property	325.1	368.2	397.4	455.1	40.0%
Sales	302.9	331.6	365.6	402.7	33.0%
Income	406.2	439.2	480.5	524.6	29.1%
Other	138.4	157.0	155.3	153.6	11.0%
Tax Revenue	1,172.7	1,295.9	1,398.8	1,536.0	31.0%
Other Revenue	106.7	113.2	125.9	156.8	47.0%
TOTAL, LOCAL	1,279.4	1,409.1	1,524.7	1,692.8	32.3%
Federal	355.3	380.9	435.2	488.9	37.6%
GRAND TOTAL	1,634.7	1,790.0	1,959.9	2,181.7	33.5%

Source: D.C. Department of Finance and Revenue

Federal support provides over 20 percent of the District's appropriated revenues, and has significant influence over District spending plans. Between FY 1982 and FY 1985, federal support increased by 37.6 percent, largely due to special federal appropriations to support corrections activities and, beginning in FY 1985, the District's phased assumption of responsibility for the finances and administration of St. Elizabeths Hospital. Though these increases have accounted for a major portion of District revenue growth, the special payments are meant to finance services the District would not undertake without federal mandate. They cannot be used at the District's discretion, and consequently cannot fairly be considered part of the District general revenue base. Undesignated federal support grew by only 24.6 percent over the three-year period.

None of the major sources of District revenue is expected to perform as well in FY 1986 as in prior years. Only gross receipts taxes, a relatively minor piece of the District's revenue budget, are anticipated to increase faster in FY 1986 than in FY 1985. Annual growth in property taxes will drop from 14.5 percent to 6.0 percent, in sales taxes from 9.6 to 7.9 percent, and in income taxes from 10.2 to 8.9 percent.

The most serious change, however, will occur in federal support. The FY 1986 revenue estimates show a 1.4 percent drop in appropriated federal funds. This assumes no increase in the $425 million federal payment and a $12 million reduction in special federal funds for corrections. Through cautious planning the District has been able to live within these reduced resources. Now, almost midway through FY 1986, federal budget-balancing efforts will reduce the FY 1986 federal payment and threaten future revenues even further (see discussion later in this chapter and in Chapter III). Clearly, FY 1986 will represent a shift from recent experience. The District will need to plan carefully to continue its commitment to the public services so important to its citizens.

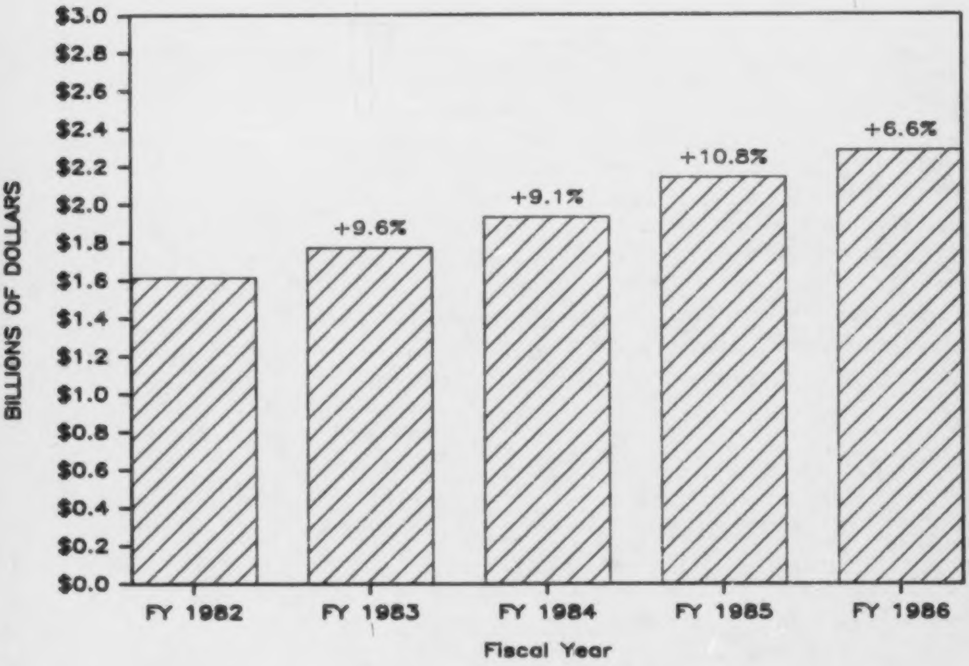
GENERAL FUND EXPENDITURES, FY 1982-FY 1986

TRENDS IN APPROPRIATED SPENDING, FY 1982-FY 1986

The District of Columbia's Financial Management System (FMS) records District spending under eleven expenditure types, called "object classes." The four object classes that make up the personal services category of spending represent direct labor costs, including salaries and wages, overtime and other pay, and fringe benefits (the latter do not include transfer payments to police, firefighters', teachers', and judges' pension funds). The seven remaining object classes make up the nonpersonal services spending category, which includes supplies; energy, rent, and communications; contractual and other services; subsidies and transfers; land and building acquisitions; equipment; and debt service.

The District's two largest object class expenditures, Continuing Full-Time Pay (Object Class 11) and Subsidies and Transfers (Object Class 50), dramatize the state and local character of the District's responsibilities. Most municipalities are highly labor intensive, with salaries and benefits representing their largest expenditures. Most state governments spend heavily on subsidy and transfer payments to individuals (e.g., Medicaid) and aid to local governments and independent authorities (for transit, health care, etc.). The District's spending patterns reflect both major responsibilities.

Figure II-9
GROWTH IN APPROPRIATED SPENDING, FY 1982-FY 1986



Source: D.C. Financial Management System and FY 1986 Operating Budget

The District's annual appropriated rate of spending growth has been increasing since FY 1982, but is expected to drop significantly in FY 1986. Between FY 1982 and FY 1985, spending grew over nine percent annually (see Figure II-9 and Table G-10, Appendix G) but budgeted spending for FY 1986 represents an increase of only 6.6 percent. This compares with 10.8 percent growth in FY 1985. As a consequence of spending needs not foreseen at the time of the FY 1986 budget preparation, actual spending for FY 1986 could exceed currently budgeted levels, increasing the FY 1985 to FY 1986 growth rate. These unbudgeted spending needs reflect actions taken after the approval of the FY 1986 budget. They include the police pay arbitration award, optical/dental benefits for non-union employees, and additional reserve requirements for deficit reduction and small capital projects. These items are discussed in greater detail later in this chapter.

The District's significant FY 1982 to FY 1985 spending growth reflects a post-recession period of rebuilding. In the early 1980s, the District experienced intense budgetary pressure brought on by an economic downturn's negative impact on revenue collections. By mid-FY 1983, the local economy had begun to improve, and the District could begin the process of rebuilding and restoring local services that had suffered from prior years' budget reductions. In addition, in FY 1984 and FY 1985 the federal government appropriated special funds designated to be spent on St. Elizabeths Hospital and the Corrections program. As a result of both the service restoration and special federal support, District spending experienced 7.2 percent real growth (growth adjusted for the impact of price inflation) between FY 1983 and FY 1985.

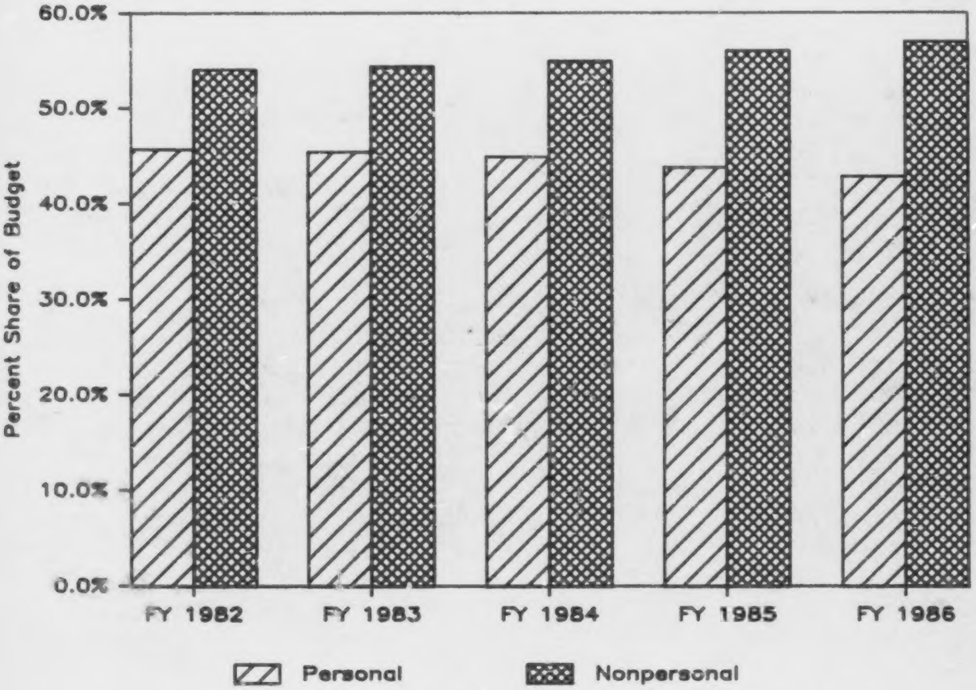
SPENDING BY CATEGORY AND OBJECT CLASS

District spending on personal services has occupied a declining share of the budget since FY 1982. As shown in Figure II-10, personal services represented 45.8 percent of appropriated expenditures in FY 1982, compared with 43.0 percent in FY 1986. This decline clearly reflects the District's successful efforts to stabilize the size of its work force, a controllable factor in District spending. However, it also reflects the rapid growth of mandated costs that are out of the District's direct control and included in the nonpersonal services part of the budget.

Nonpersonal services spending has grown rapidly since FY 1982, when it accounted for 54.2 percent of the budget. In FY 1986, it represents 57.0 percent of the budget. Since FY 1982, spending in this category has increased by 48.7 percent, compared with 32.3 percent growth in personal services spending.

A review of individual object class spending in the personal services and nonpersonal services categories (see Table II-2) helps explain these changes. Object Class 11, which includes salaries and wages for continuing full-time (CFT) employees, is the largest expenditure within the personal services category. Between FY 1982 and FY 1986, its growth appears inconsistent, dropping from an 8.1 percent increase in FY 1984 to 3.2 percent in FY 1985, and then increasing to 10.7 percent in FY 1986. The same inconsistency occurred in Object Class 13, which represents additional gross pay such as overtime, holiday pay, shift differentials and employee bonuses. Spending in this pay category jumped 99.6 percent in FY 1985, and is expected to decline in FY 1986 by 63.0 percent. Employee bonus pay in FY 1985 explains these apparent anomalies. District employees

Figure II-10
SPENDING DISTRIBUTION--PERSONAL SERVICES AND NONPERSONAL SERVICES, FY 1982-FY 1986



Source: D.C. Financial Management System and FY 1986 Operating Budget

received a three percent bonus in FY 1985 (reported in Object Class 13), and a 3.5 percent base pay increase in FY 1986 (reported in Object Class 11). The bonus pay, a one-time expenditure, created a "bump" in Object Class 13, and a "hole" in Object Class 11 in FY 1985.

Had these two spending classes been combined, the growth curve would have been much smoother, revealing a 7.3 percent growth in personal services in FY 1985 and a 4.7 percent increase in FY 1986. The drop to 4.7 percent is attributable to District efforts to control spending for overtime, as well as the continued stability of the District workforce size.

Spending in Object Class 14 (Fringe Benefits) reflects a moderate annual growth pattern since FY 1983, when new optical/dental insurance for unionized employees caused significant FY 1982-FY1983 growth.

Table II-2
APPROPRIATED SPENDING, BY OBJECT CLASS ($ Millions)

Object Class	FY 1982 Actual	FY 1983 Actual	FY 1984 Actual	FY 1985 Actual	FY 1986 Budget
11 Regular Pay--CFT	618.5	675.9	730.9	754.0	834.3
12 Regular Pay--Other	34.9	43.6	41.4	51.9	48.1
13 Additional Gross Pay	39.2	28.6	33.0	65.8	24.4
14 Fringe Benefits	50.1	60.5	66.1	70.3	75.7
Subtotal, PS	742.7	808.6	871.4	942.0	982.5
20 Supplies	26.6	29.8	31.0	36.9	37.2
30 Energy/Rent/Telephones	76.4	77.3	82.8	87.1	78.6
40 Otr Services/Charges	89.2	95.2	93.7	132.0	154.3
50 Subsidies/Transfers	522.3	576.0	662.8	728.6	791.5
60 Land	2.0	1.5	0.9	1.0	1.1
70 Equipment	23.4	32.5	23.9	39.0	34.8
80 Debt Service	137.8	154.5	170.3	179.1	207.4
90 Other	0.0	0.2	0.0	0.0	0.0
Subtotal, NPS	877.7	967.0	1,065.4	1,203.7	1,305.0
GRAND TOTAL	1,620.4	1,775.6	1,936.8	2,145.7	2,287.5

Note: Object Class 80 includes unbudgeted debt service accrual for FY 1982 through FY 1985.

Source: D.C. Financial Management System and FY 1986 Operating Budget

Spending in Object Class 12 (regular pay for non-permanent full-time employees) grew rapidly in FY 1985, but will decrease in FY 1986. This unusual trend, different from the changes in Object Classes 11 and 14, reflects the impact of the FY 1985 supplemental budget. The supplemental funds were approved for program expansion without position authority; as a consequence, needed personnel were hired in temporary full-time positions, and then converted to continuing full-time positions with FY 1986 budget authority. This caused Object Class 12 spending to rise precipitously in FY 1985, and to drop back to its normal levels in FY 1986.

Subsidy and Transfer Payments (Object Class 50) are responsible for most of the growth shown in the nonpersonal services spending category. Increases of $269.3 million in Object Class 50 accounted for 63 percent of the total nonpersonal services growth from FY 1982-FY 1986. The annual growth rate of the District's subsidy and transfer class, however, has declined from the 10.3 and 15.1 percent levels in FY 1983 and FY 1984, respectively, to 9.9 and 8.6 percent in FY 1985 and FY 1986, respectively. These lower growth rates are largely attributable to slowed growth in Medicaid costs and in teachers' and police and fire retirement payments. Moreover, the lower rates suggest an improved mandated spending picture for the future.

Other Services and Charges (Object Class 40) and Debt Service (Object Class 80) caused most of the remaining spending growth in the nonpersonal services category. Object Class 40 spending includes expenditures for employee travel, most of the contractual services purchased by the District, and printing services. The rapid growth in this object class (40.9 percent in FY 1985 and 16.9 percent in FY 1986) reflects (1) new contracts funded under the special federal criminal justice initiative; (2) the shift of operating costs for streetlights from Object Class 30 (energy) to Object Class 40; (3) the movement of Lorton landfill payments from the capital to the operating budget; (4) the cost of automating the Department of Consumer and Regulatory Affairs enforcement activities; (5) the enhancement of purchase-of service programs for day care, foster care, and senior citizens; and (6) the establishment of a Business Purchase Assistance program.

Debt service expenditures[1], though subject to at least marginal control by the District, are influenced by previous debt commitments and market interest rates. These factors have been responsible for spending growth in this category exceeding ten percent until FY 1985, when improved interest rates helped reduce growth to 5.2 percent. Debt service represents one of the District's largest mandated expenditure items.

Other nonpersonal services spending classes have had little impact on overall budget growth, largely because they represent such small portions of the total budget. Equipment costs, reported in Object Class 70, grew especially rapidly in FY 1985, reflecting the District's efforts to replace old equipment that could not be purchased in previous years because of fiscal austerity measures. Spending on supplies and materials (Object Class 20) also grew rapidly in FY 1985 in a similar effort to compensate for past economies. Spending in Object Class 30 (Energy, Rent and Communications) grew less than in any other nonpersonal services class. The drop in energy prices and in the District's energy consumption held this spending to 2.9 overall growth for the FY 1982 to FY 1986 period. These object classes together, however, represent less than 12 percent of the total nonpersonal services spending.

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[1] This discussion refers to spending in Object Class 80, which includes repayment of both long-term and short-term debt. Later discussion refers to repayment of long-term loans only, one of the District's ten largest "agencies."

AGENCY SPENDING

In reviewing District spending patterns, one must look at expenditures in the larger District agencies and the major District transfer payments. Of the District's nearly 80 agencies (for budget purposes these include certain non-administrative units such as debt service payments), the ten largest expended 76.3 percent of the total appropriated budget in FY 1985, and are expected to represent 78.7 percent of appropriated spending in FY 1986.

The Department of Human Services, D.C. Public Schools, Loans and Interest (debt service) and the Metropolitan Police Department account for more than half (53.3 percent) of District spending in FY 1986 and exert major influence on the overall budget.

Table II-3 lists, in rank order, the ten District budget entities with the largest average appropriations for the FY 1982 to FY 1986 period.

Expenditures in the Department of Human Services (DHS) and for Repayment of Loans and Interest account for most of the FY 1985-FY 1986 increase, and result largely from growth in mandated costs. The DHS FY 1986 spending plan includes expanded services in day care, foster care and senior citizen programs and, for the first time, includes District expenditures for St. Elizabeths Hospital (SEH). Previously the District recorded payments to the federal government for SEH services as a separate "agency," but to reflect the transfer of the facility from the federal government to the District, SEH-related expenditures were included in the DHS budget beginning in FY 1986. In addition, the DHS FY 1986 budget includes funds for transition planning, community-based services and outplacement opportunities needed to prepare for complete transfer of SEH by October 1, 1987.

Table II-3

SPENDING BY THE DISTRICT'S TEN LARGEST AGENCIES ($ Millions)

Rank	Agency	FY 1982 Actual	FY 1983 Actual	FY 1984 Actual	FY 1985 Actual	FY 1986 Budget
1	Human Services	326.7	334.1	368.6	412.0	511.6
2	Public Schools	266.0	310.7	326.3	345.6	360.2
3	Repayment of Loans&Int	125.9	141.9	166.6	175.4	198.4
4	Police Department	118.9	133.9	140.2	151.7	148.1
5	Dept.of Corrections	82.9	93.9	112.1	136.6	138.0
6	Police & Fire Retiremt	73.5	85.0	100.1	98.5	115.6
7	WMATA (Transit Ath Pymt)	76.7	88.7	85.1	94.7	96.5
8	Dept. of Public Works	78.2	77.0	80.2	93.1	93.2
9	Teachers' Ret & Annuity	60.2	55.9	71.7	64.2	70.9
10	Univ of the Dist of Col	51.1	58.3	60.8	64.9	67.7

Source: D.C. Financial Management System and FY 1986 Operating Budget

Loan repayment growth reflects primarily the impact of the District's transition from Treasury borrowing to general obligation bonds. In FY 1985, this shift, combined with refinancing of seven high-interest Treasury notes, kept these costs down to $175.4 million, only $8.8 million greater than the FY 1984 cost. In FY 1986, however, the shift from reliance on Treasury notes has meant that the District's first payment on the last Treasury note will coincide with the first payments on the new bonds. This will cause a one-time rise in total repayment costs in FY 1986.

Spending in the other large agencies has remained a fairly stable portion of the total District budget in recent years. The nondiscretionary nature of much of these agencies' responsibilities, however, continues to make budgetary control difficult. For example, the District's share of the Washington Metropolitan Area Transit Authority's (WMATA) costs is only indirectly under the District's control. District leadership in the region's efforts to control mass transit spending has helped mitigate this spending growth, but the District cannot unilaterally cut WMATA spending to meet local budget requirements. Similarly, Teachers' and Police and Fire Retirement contributions are subject to actuarial estimates of pension requirements, and cannot be controlled by District planners.

SUMMARY

The District restrained spending growth in areas where it has authority to control its appropriations, but in FY 1984 and FY 1985 began the process of restoring and rebuilding services eroded by prior years' fiscal austerity. FY 1986, however, represents a year of slower growth, though ultimate spending levels could exceed those originally budgeted; these additional requirements will be reflected in a supplemental FY 1986 budget. Much in FY 1986 will depend upon the federal government's efforts to balance its budget, and the effect of those efforts on the federal payment to the District.

ADDITIONAL FACTORS AFFECTING FY 1986 EXPENDITURES

As noted above, the approved FY 1986 budget may require adjustment to reflect certain spending needs unanticipated at the time of budget preparation. In addition, though revenue forecasters cannot yet determine the total potential impact, federal deficit reduction measures could seriously reduce District support from federal sources. The combined impact of reduced revenue and higher expenditures in FY 1986 could force the District to undertake adjustments to currently-budgeted programs.

REVENUE REDUCTIONS

The revenue-reducing possibilities represent the greatest threat to District programs in FY 1986 and in years to come. Recently enacted federal deficit reduction legislation, the Gramm-Rudman-Hollings amendment, mandates certain levels of deficit reduction annually, beginning in March 1986, if the Congress and the President cannot agree on budget reductions. Though certain federal entitlement programs, such as Aid to Families with Dependent Children (AFDC) and Medicaid, will be exempt from the across-the-board spending cuts required under the law, the District's federal payment, payment for federal water and sewer use, the federal pension obligation, and federal payments to support corrections and St. Elizabeths Hospital will all be subject to significant reductions. The FY 1986 budget and the FY 1987 proposed budget do not reflect the potential revenue loss. The legislation did not become law until December 1985, and was under court challenge when the District's FY 1987 budget proposal was being formulated. Federal funding for the District is being reduced by $24.8 million in FY 1986, and will require adjustment to the District's FY 1986 spending plan. The impact of this legislation is discussed in greater detail in Chapter III.

UNBUDGETED SPENDING NEEDS

Since Council passage of the FY 1986 budget, a variety of spending needs have arisen that did not exist or were unknown at the time of budget preparation. In addition, the U.S. Congress' review of the D.C. FY 1986 budget has placed new savings requirements on the District. Together, these needs and requirements are expected to exceed $30 million.

(1) At present, the pay award to the Fraternal Order of Police represents one of the District's most serious unbudgeted spending needs.

(2) The need to reduce crowding in the District's correction facilities will require additional District funds to support payments to the federal Bureau of Prisons for accepting greater numbers of local inmates. The District must also spend more to expand halfway house capacity as well as other means to relieve overcrowding. In FY 1986, the additional corrections need could reach $6 to $11 million.

(3) The recently-enacted Civil Infractions program, designed to streamline prosecution for minor offenses, will require at least 19 new positions in the Department of Consumer and Regulatory Affairs. Overall, this enhancement will cost the District approximately $2 million.

(4) The D.C. Council recently approved optical/dental insurance for the District's nonunion employees. This action, which offers nonunion employees benefits equivalent to those enjoyed by unionized employees, will cost the District $2.2 million.

(5) In its review of the District's FY 1986 budget, the U.S. Congress has required the District to repay $20 million of its General Fund deficit in FY 1986. The FY 1986 budget holds $5 million in reserve for this purpose, but the additional $15 million must come from either revenue increases or spending reductions.

(6) Congress also restored $3.5 million in pay-as-you-go capital financing cut by the Council in the FY 1986 budget, for projects approved in the FY 1985 budget. This $3.5 million must come from revenue increases or spending reductions.

FOUNDATIONS FOR THE 1987 BUDGET

SUMMARY

The District's strong record in budgeting and financial management assures that the FY 1986 budget will be adjusted to account for most of these changes in a way that will continue to support essential District services while balancing the budget. The Gramm-Rudman legislation represents the clearest threat to this record. Substantial reductions in federal support could indeed severely restrict District service provision, especially when enacted mid-year. As a consequence, the FY 1986 budget could undergo substantial and potentially painful changes.

CURRENT SERVICES

The current services budget projections provide estimates of the General Fund revenue and expenditures for the upcoming budget year that would occur if the laws and policies in place before the approval of the FY 1987 budget remain unchanged. These projections are not forecasts of future District budgets. The FY 1987 budget proposal will reflect policy changes and the District's fiscal priorities as determined during the budget-making process. However, the current services projections help to anticipate the magnitude of revenue and expenditure changes necessary to balance a given budget (in this case, the FY 1987 budget) or to meet program objectives. The projections also help to assess the responsiveness of revenue to economic growth and to identify expenditure programs that are rapidly consuming scarce District resources.

For FY 1987, current services expenditure estimates are projected to exceed current services revenue by only $6.5 million. This indicates that there has been a narrowing of the current services gap over the last two years. This optimistic current services scenario is largely a direct result of the District's prudent management of its resources. Over the last several years, District managers have made a concentrated effort to control the rate of growth of some of the larger costs. Those efforts were aided by the strong economic recovery of 1984, which continued at a milder pace through 1985.

Favorable economic conditions influence budget strategies in a fundamental manner. Nevertheless, the District should be cognizant of the major difficulties experienced over the last several years in closing large revenue gaps and implementing balanced budgets. Therefore, it is not advisable for the District to initiate or expand large continuing programs. At this point in the economic cycle, and given the impending federal budget reductions that are likely under Gramm-Rudman, a prudent step would be to continue to invest as much as possible in the District's economic development programs in order to bolster the local economy and ensure a firm tax base that is adequate to cushion future economic downturns.

Estimates of the current services gap reflect various assumptions about growth in future prices, income levels, and population and their impact on District revenue and expenditures. A 1 percentage point increase in the inflation rate, for example, would increase tax revenue by about $12.8 million per year in roughly equal amounts from income, sales, and property taxes. Expenditures, however, would also increase and moderate the revenue gain. In addition, should interest rates increase 1 percentage point, debt service on a $150 million loan would rise $1.35 million a year. The following section discusses the specific assumptions on which the FY 1987 current services revenue and expenditure estimates are based.

REVENUE

Current authority General Fund revenue is estimated at $2,403.8 million for FY 1987. This amount is 4.5 percent, or $103.9 million, higher than the revised estimates of revenue financing the FY 1986 appropriation and 10.2 percent, or $222.1 million, higher than FY 1985 actual revenue. The FY 1987 current authority revenue estimates are indicated in Table II-4. Tax rates for the various revenue sources are shown in Table II-5. Chapter V, the Multiyear Plan, contains the long-range revenue forecasts for FY 1987 to FY 1992.

REVENUE STRUCTURE. Expenditures against the General Fund appropriation are financed by local revenue, transfers from the Lottery Fund, and the federal payment. Revenue sharing, which provided an additional funding source of about 1 percent of the District's budget will be discontinued after FY 1986. In FY 1985 the revenue financing the appropriation was $2,181.7 million. The following discussion focuses on revenue financing the appropriation.

The District's system of local revenue is broad-based and includes most of the taxes, fees, and charges relied on by both state and local governments. The percentage distribution by source of current authority revenue in FY 1987 is indicated in Figure II-11. The District receives the bulk of General Fund revenue from income taxes (25.7 percent), property taxes (21.4 percent), sales taxes (19.5 percent), and federal sources (19.1 percent). Other locally generated revenue accounts for the remaining portion (14.2 percent) of General Fund revenue.

Figure II-11

DISTRICT CURRENT AUTHORITY REVENUE BY SOURCE, FY 1987

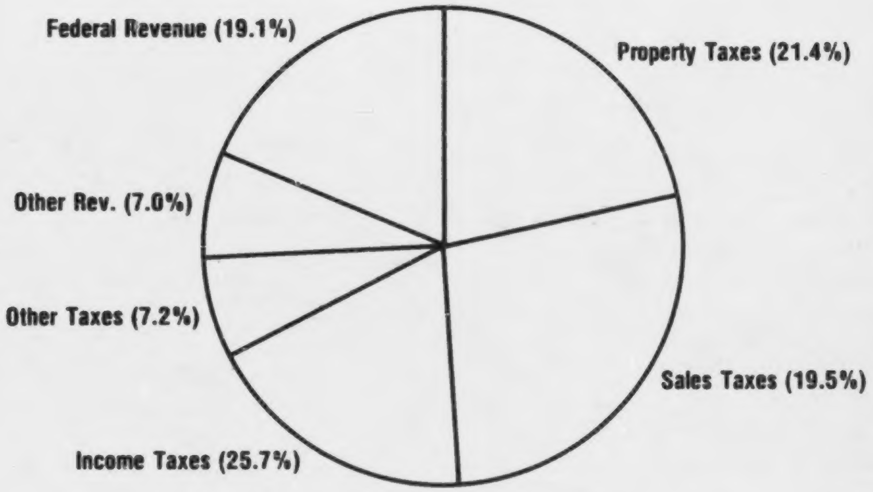


Table II-4
FY 1987 CURRENT AUTHORITY REVENUE ESTIMATES ($ Millions)

Source	Estimate
Real property tax	458.2
Personal property tax	50.8
Vault space tax	4.6
Total, property taxes	513.6
General sales tax	395.4
Alcoholic beverage tax	7.2
Cigarette tax	9.4
Motor vehicle fuel tax	25.6
Motor vehicle excise tax	25.8
Hotel occupancy tax	6.2
Total, sales taxes	469.6
Individual income tax	485.9
Corporation franchise tax	97.4
Unincorporated business franchise tax	29.2
Franchise surtax	6.3
Total, income taxes	618.8
Public utility tax	84.8
Insurance tax	21.7
Inheritance and estate taxes	25.1
Deed recordation tax	23.4
Deed transfer tax	18.2
Total, other taxes	173.2
Total, tax revenue	1,775.2
Licenses and permits	34.0
Fines and forfeitures	30.5
Charges for services	35.3
Miscellaneous revenue	20.7
Total, nontax revenue	120.5
Sale of surplus property	0.5
Legalized gambling transfer	47.6
Total, other financing sources	48.1
Total, federal sources	460.0
Total revenue and other financing	2,403.8

Table II-5
D.C. TAX RATES, FY 1986

Real property:	
Class I (single fam.)	$1.22/$100 value
Class II (multi-fam.)	$1.54/$100 value
Class III (hotels)	$1.82/$100 value
Class IV (commercial)	$2.03/$100 value
Personal property	$3.10/$100
Income:	
Individual	From 2% for the first $1,000 of taxable income to $1,950 +11% for income exceeding $25,000
Corporate	10%, plus 5% surtax
Unicorp. business	10%, plus 5% surtax, on 70% of net profits, less a $5,000 exemption
Sales and use	6% general rate; 8% on restaurant meals, 10% on transient accommodations; 12% on commercial parking lots;
Cigarette	13 cents/pack of twenty
Insurance	2% of gross premiums
Motor vehicles	6-7% of value, depending on weight
Motor vehicle fuel	15.5 cents/gallon
Public utility	6.7% of gross receipts
Inheritance and estate	Variable rates depending on value of estate and relationship of beneficiary to decedent
Recordation and deed transfer	1% of consideration or fair market value
Hotel occupancy	$1.00/occupied room/day

Source: D.C. Department of Finance and Revenue

FEDERAL SOURCES. A distinguishing feature of the District's revenue system is that over the past years about 21 percent of the financing typically came from federal sources. With the discontinuation of revenue sharing in FY 1987, financing from federal sources has decreased to about 19.1 percent. This is the lowest percentage of federal-source financing in the past seven years. The federal payment, by far the largest source, is an annual payment to the District for the unique costs the District incurs as the nation's capital.

The federal payment is appropriated annually and has grown from $300 million in FY 1981 to $425 million in FY 1986. It generally is agreed that the level of the federal payment should grow directly with District costs and finances. A satisfactory solution would be to appropriate a formula-based payment on a permanent basis. (See Appendix A for a federal payment discussion.) As shown by Table II-6, for fiscal years 1984 through 1986, the federal government also contributed amounts to help pay the costs of District residents who are patients at Saint Elizabeths Hospital. Special one-time payments were also made to help reduce crime, develop a teacher incentive system, and reimburse the city for 1985 inaugural expenses. (See Appendix B for discussion of the special federal payments.)

Table II-6
GENERAL FUND APPROPRIATED REVENUE, BASED ON CURRENT AUTHORITY, FY 1982-FY 1987 ($ Millions)

	LOCAL SOURCES	FEDERAL PAYMENT	SAINT ELIZ.	OTHER FEDERAL	REVENUE SHARING	TOTAL
1982	1,280.2	336.6	...	...	18.7	1,635.5
1983	1,403.9	361.0	...	2.3	17.6	1,784.8
1984	1,522.9	386.0	5.7	25.5	17.9	1,958.0
1985	1,692.8	425.0	20.0	26.4	17.5	2,181.7
1986	1,817.7	425.0	25.0	14.6	17.6	2,299.9
1987	1,944.0	425.0	35.0	20.0	...	2,424.0

FY 1987 CURRENT SERVICES REVENUE. Estimates of FY 1987 current service revenue were prepared by the D.C. Department of Finance and Revenue. The estimates are based on actual revenue for the last three fiscal years, FY 1986 experience to date, and forecasts of the local economy and the national economy.

Tax Revenue. Total tax revenue, projected at $1,775.2 million in FY 1987, accounts for 91.3 percent of all locally raised revenue and 73.8 percent of the General Fund revenue. The FY 1987 tax-revenue estimate represents an increase of $114.0 million, or 6.9 percent, over revenue estimated for FY 1986 and $239.2 million, or 15.6 percent, over FY 1985 actuals.

The "big-three" taxes of state-local finance--real property, general sales, and individual income taxes--are projected at $1,339.5 million for FY 1987, reflecting a 7.2 percent increase over FY 1986 revised revenue estimates.

For FY 1987, real property tax revenue of $458.2 million is projected to grow by 5.9 percent over revised FY 1986 estimates. This revenue estimate is based on the assumption that the current property tax rates will remain in effect in FY 1987. Class I property, essentially owner-occupied residential property, is estimated to grow by 5.0 percent in tax year 1987 (July 1, 1986, to June 30, 1987). Projected growth in District housing prices account for most of that increase. The demand for housing in the District is projected to be stimulated as interest rates are expected to remain relatively lower than in the recent past. Recent market trends indicate that Class II property, consisting of apartments and other rental properties, will grow by about 5.5 percent in tax year 1987.

Class III property, hotels, is expected to show the greatest increase--rising by 10 percent in tax year 1987. Class IV property, commercial property, follows closely with an expected 9.5 percent increase over the same period. The demand for prime commercial property by rapidly growing service firms will bid up property values and lead to new construction, thereby expanding the District's commercial property base. Overall, the real property fiscal base is anticipated to rise by 7.3 percent in tax year 1987.

Total property tax revenue, which also includes personal property tax revenue and public space rental fees, is estimated at $513.6 million in tax year 1987. This represents an increase of 6.4 percent over the FY 1986 revised estimates.

General sales tax revenue is projected at $395.4 million, an 8.2 percent increase over revised FY 1986 estimates. The growth in estimated sales tax revenue is based on assumptions about taxable sales (the base of the tax) and the level of consumer prices. Taxable sales are anticipated to advance by 8.5 percent in 1987, down somewhat from the previous tax year because of the expected slowdown in the recovery. With consumer prices predicted to rise by 4.5 percent in 1987, the increase in the sales tax base will be about 4.0 percent in real dollars.

As the District's most productive revenue source, the individual income tax is projected to yield $485.9 million in FY 1987, an increase of 7.6 percent over revised FY 1986 estimates. These projections assume a 5.5 percent growth in the income tax base in FY 1987. Federal pay, a major source of District residents' income, is predicted to grow at 3.8 percent in FY 1987. This increase comes after a federal pay freeze in FY 1986. Solid growth in private-sector income is also expected to continue.

Interest rates, while moderating over the past year, are still at historically high levels. This serves to boost unearned income--which, because it is an important income source for those in high tax brackets, will have a significant effect on income tax revenue. Employment growth, although leveling off compared with the past two years, will also enhance the income tax base. Furthermore, income tax revenue will grow faster than the tax base because inflation, which is projected at 4.5 percent in FY 1987, will force some residents into higher tax brackets.

Business income tax revenue is projected to grow by 5.7 percent in FY 1987 to $132.9 million. The base for unincorporated franchise tax revenue is projected at 9 percent growth while the base for the corporate franchise tax is expected to grow by 4 percent. The projected growth rate for the unincorporated franchise tax mirrors recent trends of strong growth in District partnerships and sole proprietorships. The projection for the corporate income tax takes into account the fact that the corporate franchise tax--unlike the unincorporated franchise tax, which focuses on more District-based firms--collects taxes based on apportioned income from firms all over the country.

For FY 1987, total income taxes are expected to produce $618.8 million in District revenue, an increase of 7.2 percent, or $41.7 million, over revised FY 1986 revenue estimates.

Taxes on selected consumption items--alcohol, cigarettes, motor vehicles, motor vehicle fuel, and hotel occupancy--are expected to grow to $74.2 million in FY 1987. Most of the increase can be attributed to increases in the motor vehicle excise and the hotel occupancy taxes. Revenue from the motor vehicle fuel tax is anticipated to remain flat in FY 1987 at the revised FY 1986 level. This is due to the soft gasoline market, resulting in falling gasoline prices and tax revenue. Revenue from the motor vehicle excise tax is expected to grow to $25.8 million, an increase of $1.4 million, or 5.7 percent, over FY 1986.

The remaining selected sales taxes--including taxes on alcoholic beverages and cigarettes--are projected to decline by $100,000, or -0.6 percent, in FY 1987 to yield $16.6 million.

"Other taxes" include such District tax sources as public utility taxes, the insurance tax, inheritance and estate taxes, deed recordation and deed transfer taxes. As a group, these taxes are estimated to yield $173.2 million in FY 1987. The public utility tax is by far the most important of the group, accounting for $84.8 million, or 49 percent, of the total. Tax revenues from inheritance and estate taxes will grow the fastest at 16.7 percent over FY 1986 revised estimates, while revenues from public utility, deed recordation, and deed transfer will grow at about 5 percent each. The insurance tax has the lowest expected growth rate at 2.8 percent.

Nontax Revenues. Revenue from nontax sources is projected to grow by 5 percent in FY 1987, to yield $120.5 million. This revenue consists of licenses and permits, fines and forfeitures, charges for services, and miscellaneous items.

Other Financing Sources. Other financing sources included in the District General Fund are proceeds realized from the sale of surplus property and legalized gambling. Taken together, these financing sources are expected to produce $48.1 million in FY 1987, which is $5.9 million, or 14 percent, more than the revised estimates for FY 1986.

Net proceeds from legalized gambling and the sale of surplus property are not considered revenue according to generally accepted accounting principles. The Lottery and Charitable Games Fund is projected to yield a profit of $47.6 million in FY 1987. This "profit" will be transferred to the General Fund. Proceeds from the sale of surplus property are estimated to yield about $500,000 in FY 1987.

EXPENDITURES

The current services expenditure forecast for FY 1987 is $2,410.3 million. This forecast represents a 5.4 percent increase from the FY 1986 budget and is attributable primarily to the expenditure increases projected in personal services, rent, communications, and selected contractual services.

OBJECTS OF DISTRICT EXPENDITURES. The current services budget focuses on expenditures against the General Fund appropriation, selected object classes of spending, and large mandatory programs. The four personal services object classes are Object Class 11 for salaries and wages of continuing full-time employees, Object Class 12 for salaries and wages of temporary employees, Object Class 13 for overtime and holiday pay, and Object Class 14 for fringe benefits. Most of the mandated expenditures, such as financial and medical assistance, payments to the retirement funds and the Bureau of Prisons, and the contribution to Metro, are in Object Class 50. This object class also contains other payments that are not strictly mandated, such as those for employment training and assistance, foster care, day care, school transit subsidy, and D.C. General Hospital. Object Class 80 includes debt service on long-term debt, the net interest cost of short-term borrowings, and an amount for the repayment of the General Fund accumulated deficit. The FY 1987 current services forecast by object class is shown in Table II-7.

Table II-7
FY 1987 CURRENT SERVICES EXPENDITURE FORECASTS BY OBJECT CLASS
($ Millions)

	Object Class	Forecast
11-14	Personal Services	1047.6
20	Supplies and Materials	39.6
30a	Energy	50.0
30b	Communication	12.0
30c	Rent	22.6
40	Other Services and Charges	165.8
50	Subsidies and Transfers	809.4
60	Land and Buildings	1.1
70	Equipment and Equipment Rental	33.9
80	Debt Service	228.3
	Subtotal, Nonpersonal Services	1,362.7
	Total	2,410.3

The distribution of the FY 1987 current services expenditure estimates continues the relatively stable trend of the last five years. A slightly higher share of total estimated expenditures is attributable to personal services, 43.5 percent compared with the 43.0 percent share in the FY 1986 budget. The next largest component in the current services estimates is the expenditure for subsidies and transfers, 33.6 percent, a decrease of 1 percentage point from the 34.6 percent share in FY 1986. Current services estimates of Object Class 80 accounts for 9.5 percent of the total, a slight increase over the 9.1 percent share in FY 1986. All the remaining expenditure classes account for only 13.5 percent of the total FY 1987 estimates, with contractual services as the largest component with a 6.9 percent share.

FY 1987 CURRENT SERVICES EXPENDITURES. Expenditure assumptions for the General Fund current services were based on recent trends in interest rates and service and commodity prices and a consideration of several proprietary forecasts. The actual FY 1985 expenditures and the revised forecast for FY 1986 expenditures provided the base for the projections. As discussed in the introduction to this section, the current services projections assume no law or policy change from the FY 1986 approved budget.

Personal Services. The FY 1987 current services estimates for personal services expenditures is $1,047.6 million, an increase of 6.6 percent over FY 1986. These estimates are based on the collective bargaining unit agreements reached for contract years FY 1985-FY 1987. The forecast assumes that, except for the police, all District employees will receive identical pay raises of 4.0 percent in FY 1987. The police pay raise assumed in the forecast is based on the police arbitration award. In addition, the personal services estimates are based on a constant work force and an average within-grade pay increase of 1.04 percent. The 1.04 percent average within-grade pay increase was determined from data submitted by each agency.

Object Classes 20, 60, and 70. Current services forecasts for supplies and materials, real property purchase and improvement, and equipment purchase or rental reflect assumed price increases of 4.6 percent in FY 1987. The total for this group of expenditures is forecast at $74.6 million.

Object Class 30. The FY 1987 current services estimate for energy assumes a 5 percent growth in electricity and a 3 percent growth in fossil fuels. The 5 percent inflator for electricity allows for some growth in labor and fuel costs and uncertainty over the Public Service Commission's response to recent concern over the adequacy of Pepco's generating capacity. The commission may choose to do nothing, it may impose rate increases to begin financing new construction, or it may impose additional--and perhaps costly--measures designed to shift energy use away from peak hours and encourage conservation. The 3 percent inflator for fossil fuels provides for possible rate increases in natural gas and minor cost increases in nonregulated petroleum products.

The current services estimate for communications assumes a 15 percent cost growth. Since the break up of the Bell System in 1984, the Public Service Commission and the Federal Communications Commission have approved a series of rate increases and auxiliary charges that, according to some studies, have increased the average Washington metropolitan area consumer's phone costs 35 percent. The Public Service Commission recently approved a 15 percent increase in access charges and substantially higher line charges for small private Centrex customers. The District faces these increases when its three-year Centrex contract expires in July 1986, unless it can negotiate more favorable terms. Savings from a new centralized phone system cannot be expected before FY 1988 or FY 1989.

The current services estimate for leased space assumes a 33.8 percent increase in costs, based upon a lease-by-lease analysis. The projection assumes 5 percent general inflation because of higher labor and energy costs, as well as substantial rate increases for several large long-term leases expiring in FY 1986 and FY 1987.

Based on these projections, total spending for Object Class 30 is expected to be $84.6 million, an increase of 7.8 percent over FY 1986.

Object Class 40. Other services and charges, which are services provided by the District or external parties in order to implement programs and/or services, are projected to rise by 7.5 percent to $165.8 million. This increase is the result of several factors.

The rapid growth in legal services and settlement payments has continued its upward trend of the past few years. Expenditures for juror and witness fees are predicted to expand by 6.4 percent in FY 1987. Expenditures for the Criminal Justice Act, a program providing contractual legal services for indigent defendants, is projected to grow by 2.4 percent in FY 1987. This is based on an expected increase in the volume of cases. The Department of Consumer and Regulatory Affairs (DCRA) will be establishing administrative procedures to implement the Civil Infractions Act of 1985. This program will add $911,000 to Object Class 40 costs. Also, the rent control study being done by DCRA will amount to $500,000. The Department of Human Services will be using contractual services to care for former Forest Haven patients and to expand the Mental Health Services Administration in accordance with recent legislation mandating a comprehensive mental health services system. Additional increases in contractual services will occur in the Department of Corrections.

Given today's litigious climate, the current services estimate for settlements and judgments is based on a financially prudent awareness of the potential for large losses. Accordingly, a 23.5 percent increase is projected for FY 1987.

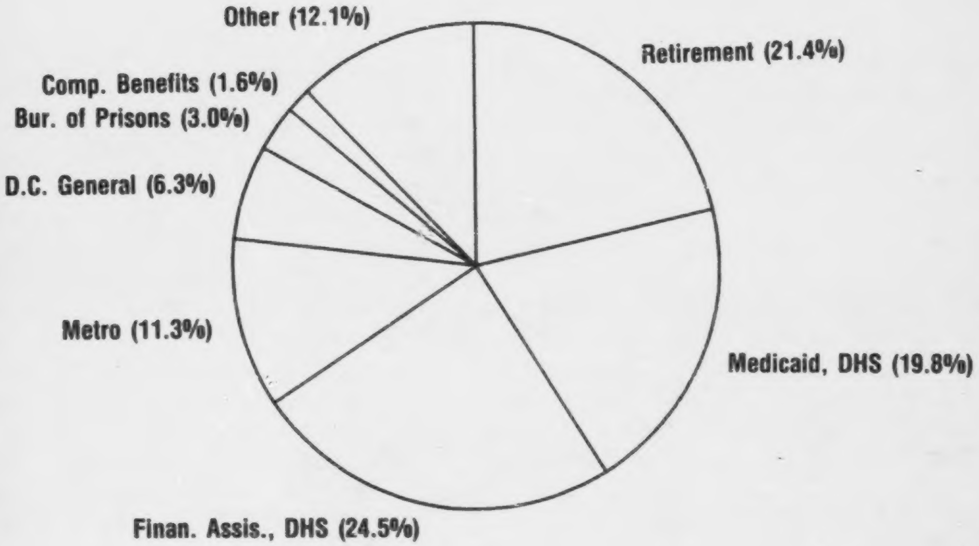
Object Class 50. Most of the Object Class 50 expenditures are mandated. Expenditures for subsidies and transfers are jointly determined by the mandatory requirements of each program and the economic conditions expected over the next two years. As a whole, the current services estimate for Object Class 50 is forecasted to increase by only 2.3 percent, from $791.5 million in the FY 1986 budget to $809.4 million in the FY 1987 current services estimate.

The distribution of the current services forecasts by major programs is shown in Figure II-12. Based on an actuarial recommendation to the D.C. Retirement Board, the required FY 1987 General Fund contribution to the teachers' retirement fund will be reduced by $12.1 million from FY 1986 levels. This change was possible because more optimistic assumptions about inflation, the real rate of return on retirement fund assets, and the magnitude of future pension payments reduced the estimate of the unfunded liability. With a lower unfunded liability, the annual amortization payment required to prevent that unfunded liability from growing faster than the rate of inflation decreased , from the $13.1 million in the FY 1986 budget to $1.7 million. The required contributions to the police retirement fund also will be lower, by $3.8 million, because of favorable demographic changes. In addition, the final installment payment on retirement shortfalls experienced by both pension funds in the early 1980s will be made in FY 1986. The current services estimate for unemployment compensation benefits paid to former District government workers also has dropped below fiscal year 1986 levels by $2 million because of the improved economy.

Spending trends are mixed in the area of financial assistance. With the decline in the number of cases and children receiving Aid to Families with Dependent Children (AFDC), spending for this program will fall by $4.6 million from the presently budgeted levels. Child day-care and foster-care programs will have a combined current services increase of $4.2 million, reflecting the increasing demand for day-care services, especially by AFDC parents enrolled in job-training programs. To keep the real level of support constant, the current services estimates assumed 4.5 percent increases in the payment levels for the general public assistance and supplemental security income programs.

The mental retardation and developmental disability programs also will increase, by about 9.9 percent, because of court-ordered outplacements from Forest Haven.

Figure II-12
FY 1987 CURRENT SERVICES OBJECT CLASS 50 EXPENDITURES



The sum of the District match for the total Medicaid program and the payments to local hospitals for low-income patients who do not qualify for Medicaid (medical charities) will increase $6.8 million, or 4.4 percent, on a current services basis. Most of the increase is attributable to much higher Medicaid payments for skilled and intermediate nursing care. With the opening of several new intermediate-care nursing facilities, those Medicaid payments are expected to increase by $6.5 million, or about 20 percent. A reduction from 53 to 50 percent in the required District match to the federal Medicaid outlays has helped contain the spending for the Medicaid and medical charities programs as a whole.

The payment to D.C. General Hospital will increase by about $2.6 million, or 5.2 percent. Consistent with the six-year plan to transfer the financial and administrative responsibility for

Saint Elizabeths Hospital to the District, the payment to that hospital will increase by $8.6 million to $57.7 million, or 17.6 percent.

Other major subsidy and transfer payment increases are for the Metrobus subsidy, $5.7 million, and payment to the Federal Bureau of Prisons, $1.3 million.

Object Class 80. Long-term debt service expenditures have slowed dramatically over the last year and are now the slowest growing part of the budget. From FY 1985 to FY 1986, long-term debt service, net of early interest paid on refunded U.S. Treasury notes, will have grown about 10 percent. This increase is caused mainly by the differential cash impact associated with the shift from U.S. Treasury note financing to general obligation bonds. From FY 1986 to FY 1987, long-term debt service will increase only 3.1 percent mainly because the FY 1986 budget base is high to accommodate the shift in financing. Further, the FY 1987 requirements will be held down by the cumulative savings from refunding over $604 million of high-interest U.S. Treasury notes over two years with general obligation bonds sold during a period of relatively low interest rates. These two effects offset the additional FY 1987 debt service on general obligation bonds that will be sold in the spring of 1986 to finance capital expenditures through FY 1987. Bond issues planned for FY 1987 will have no impact on the FY 1987 budget.

The FY 1987 long-term debt service forecast was based on a 9 percent interest rate that includes 30 basis points for bond issuance costs and a 20-year term for long-term debt. Net interest costs on short-term borrowings are assumed to be $3.8 million in FY 1986. For the total Object Class 80 current services budget, repayment of the District's deficit is assumed to be $20 million, equal to the FY 1986 appropriated level.

CHAPTER III: SPECIAL BUDGET ISSUES

Each year the Budget Office selects certain programs and services for special discussion within the context of the operating budget. This year, the Budget Office has chosen to focus on elements affecting personal services spending, updating the discussion that appeared in this chapter of the FY 1986 Operating Budget, and providing new material explaining wage agreements, health benefits and retirement programs and their importance to the overall budget. In addition, this chapter addresses such pressing issues as federal deficit reduction legislation, District General Fund deficit reduction plans, debt and cash management, contracts and procurement, and programs to combat AIDS in the District. These issues and programs were selected because many of them have been the focus of public interest.

GRAMM-RUDMAN-HOLLINGS

The Gramm-Rudman-Hollings Amendment to the Balanced Budget and Emergency Control Act of 1985 grew out of Congress' frustration at its inability to reduce the federal deficit substantially. From 1980 to the end of 1985, the federal deficit grew from $60 billion to $220.5 billion, increasing from 2.3 to 5.3 percent of the gross national product. Concerned about potential long-term economic damage resulting from continued massive deficits, Congress made deficit reduction a top priority in 1985.

Despite immense effort, Congress had little success in achieving deficit reduction. The President's budget called for 5.9 percent real growth in defense, no tax increases, and massive domestic spending cuts, including termination of the federal school lunch program, the Job Corps, the Work Incentive Program (WIN), Urban Development Action Grants (UDAG), General Revenue Sharing, and mass transit assistance programs. Despite substantial cuts in domestic programs, the President's budget still projected a $180 billion deficit. Congress found those cuts and the deficit level unacceptable.

The Senate budget provided for 3.0 percent real growth in defense and smaller but substantial domestic program cuts. The House budget provided significantly smaller cuts in domestic programs, largely by providing no inflationary increases for defense programs. After months of wrangling, Congress reached a compromise providing for no real growth in defense and a reduced, but still huge, $171.9 million deficit.

By the end of the year, with the economy slowing and the budget progressing through the authorizing and appropriations committees, it became clear that the FY 1986 deficit would approach $200 billion. Despite the awareness of the deficit and its potential for damaging the economy, Congress and the President were unable to reach an agreement to reduce the deficit.

Gramm-Rudman was formulated in an attempt to force Congress and the President to reduce the deficit. The legislation sets a deficit reduction schedule designed to eliminate the deficit entirely by FY 1991 and provides a framework for across-the-board cuts (sequesters) in controllable domestic programs if the President and the Congress cannot agree to a budget within the schedule's deficit ceiling. The law's sponsors hoped that the unattractive possibility of widespread mandatory cuts would force the President and Congress to agree to some combination of program cuts and revenue increases to reduce the deficit. However, given the President's insistence on 3 percent real growth in defense and his refusal to cut Social Security or increase taxes, combined with Congress' past resistance to deep cuts in domestic programs, mandatory cuts may be necessary in FY 1987.

Gramm-Rudman classifies federal programs into four categories: (1) Exempt, (2) Category I (indexed), (3) Health Services, and (4) Category II (controllable). (1) Exempt--Gramm-Rudman exempts the following from mandatory cuts: Social Security, interest on the debt, earned income tax credit, prior-year obligations, and judicially ordered claims against the federal government as well as eight poverty programs. The anti-poverty programs include some of direct concern to the District: AFDC, Food Stamps, child nutrition, the Feeding Program for Women, Infants, and Children (WIC), community health centers, and Medicaid.

(2) Category I--Gramm-Rudman designates as Category I programs a series of indexed programs and calls for up to half of all required savings to come from cuts in these programs' cost of living adjustments (COLA). Base cuts in these programs are prohibited. In essence, Gramm-Rudman freezes Category I programs at FY 1985 levels. Of these programs, only civil and military retirement and Special Milk programs are of direct concern to the District.

(3) Health Services--Gramm-Rudman provides for cuts up to 1 percent in FY 1986 and 2 percent thereafter in five health service programs. Medicare is the only program in this category that is relevant to the District.

(4) Category II--All other defense and domestic programs designated as controllable are classified as Category II and subject to across-the-board cuts under Gramm-Rudman.

If implemented, Gramm-Rudman mandates substantial cuts in domestic programs. Because grants-in-aid to state and local governments comprise a major portion of controllable domestic programs, states and cities would be particularly hurt under Gramm-Rudman. Cut 4.3 percent in FY 1986, controllable domestic programs would be cut 8.4 percent in FY 1987 as projected by the Congressional Budget Office (CBO). The cuts are particularly unfair because state and local governments have already endured more than their share of reductions, having watched grant-in-aid funds decline by 60 percent since 1979. These cuts come at a time when the federal government continues to mandate state and local government action, while assuming none of the costs, and proposes to sharply restrict tax-exempt bond financing used extensively by state and local governments. Gramm-Rudman confirms the "New Federalism" proposed at the federal level in the early 1980s as nothing more than an attempt to balance the federal budget on the backs of state and local governments.

Table III-1 provides estimates of the District's potential losses in grants-in-aid and the federal payment based upon 4.3 percent sequestration in FY 1986 and CBO's projected 8.4 percent cut in FY 1987.

Gramm-Rudman could particularly hurt the District. The federal payment to the General Fund, payments for water and sewer services and Saint Elizabeths Hospital, and federal contribution to the District's retirement fund are subject to sequestration in FY 1986 and FY 1987. This would amount to a $12.6 million loss in FY 1986 and a $35.7 million reduction in FY 1987 in the federal payment to the General Fund. Cutting this payment is unfair because it is not a grant or subsidy but a partial reimbursement for the cost of the federal presence. Continued by Congress for over 100 years, the payment has a long legislative history and makes up a vital portion of the District's revenue.

Cutting the water and sewer payment by $0.9 million in FY 1986 and $2.4 million in FY 1987 is similiarly illogical and unethical. The federal water and sewer payment is based on federal facilities' metered water consumption and is charged at the same rate paid by private residential and commercial customers in the District. It is unfair to ask private water and sewer utility customers to pay higher rates to compensate for lost federal revenues.

Table III-1
PROJECTED IMPACT OF GRAMM-RUDMAN ON THE DISTRICT ($ Thousands)

	FY 1986 Budget	FY 1987 Budget	FY 1986 Loss	FY 1987 Loss
Grants-In-Aid				
Employment Services	36,786	32,916	1,141	2,378
Housing & Coummunity Development	75,307	74,691	1,881	4,934
Consumer & Regulatory Affairs	2,982	2,785	128	234
Human Services	289,132	305,876	3,702	7,561
D.C. Energy Office	7,764	6,530	334	549
Office on Aging	4,443	4,112	191	345
Board of Education	41,258	41,258	76	1,161
University	5,974	6,128	257	515
Public Works	1,936	1,956	8	50
Transit Authority	7,806	6,244	336	659
Total, Grants	473,388	482,496	8,054	18,386
Federal Payment				
General Fund	425,000	425,000	12,642	35,700
Retirement Fund	52,070	52,070	1,505	4,374
Water & Sewer	30,100	28,810	903	2,420
St. Elizabeths Hosp.	25,000	35,000	1,075	2,420
Spector & Other	14,610	0	628	0
Total, Federal Paymt.	546,780	540,880	16,753	45,434
Total	1,020,168	1,023,376	24,807	63,820

Sequestration will also include cuts of $1.1 million in FY 1986 and $2.4 million in FY 1987 in the District's payment for assuming financial and administrative responsibility for St. Elizabeths Hospital. This payment, budgeted at $25 million in FY 1986 and $35 million in FY 1987, was part of a carefully negotiated six-year transition plan just completed a year ago after years of debate. The $1.5 million cut in FY 1987 and the $4.4 million cut in FY 1987 in the federal contribution to the District's retirement system represent federal abdication of responsibility for retirement costs incurred by District employees prior to Home Rule and abandonment of the mandate established in the Retirement Reform Act of 1979.

Adding to the difficulty of dealing with these reductions in federal revenue is the fact that the exact size of the cuts facing the District are uncertain. The District may avoid cuts if Congress and the President agree upon a budget to avoid sequestration. On the other hand, cuts to the District under such a compromise could be deeper than those under sequestration. Under sequestration, the size of the mandatory cuts will vary tremendously with the size of the deficit. A $1 billion dollar variance in the deficit changes the sequestration rate by 0.5 percent, amounting to $2.1 million alone for the federal payment to the General Fund. Furthermore, the size of the deficit is very sensitive to economic performance. A 1 percentage point variance in gross national product from projected levels causes an 8.5 percentage point difference in the sequestration rate; for the federal payment to the General Fund this amounts to $36.1 million.

Gramm-Rudman poses a significant challenge to the District's fiscal health. The Mayor has formed a task force consisting of senior members of the executive and legislative branches to assess the financial and programmatic impacts of Gramm-Rudman and other federal budget initiatives. At this time, the federal revenue outlook is very uncertain. The District will not be in a position to reassess its revenue projections and revise the budget until the shape of the federal FY 1987 budget is more defined.

PERSONAL SERVICES SPENDING ISSUES

CHARACTERISTICS OF THE WORK FORCE

In the special issues chapter of the FY 1986 operating budget, the characteristics and size of the District's work force were described in detail. This year, rather than repeat an extensive discussion of these statistics, this section summarizes labor force changes over the past year; tables detailing this information are located in Appendix G.

The number of authorized continuing full-time (CFT) positions[1] continues its pattern of moderate growth. Each year, District agencies receive CFT employment authority in their operating budgets. The number of these positions has grown steadily since FY 1983 and will reach 31,969 in FY 1987, an increase of 829, or 2.7 percent, over the FY 1986 level of 31,140. The increase reflects the District's commitment to sustain and enhance priority programs, meet court-ordered mandates, and implement recently enacted legislative requirements.

The largest increase in positions is in the Department of Corrections. These positions are required to meet the court-ordered mandate to relieve overcrowding. Position increases also reflect the implementation of the provisions of such recent legislation as the District of Columbia Procurement Act of 1985, the Health Occupations Revision Act of 1985, the Rental Housing Act of 1985, and the Civil Infractions Act of 1985. Positions related to program enhancement provide additional staff to enhance economic development activities, to enable all branch libraries to open six days a week, to strengthen the Roving Leaders program, to enhance the Potomac Riverfest activities, to attract and retain qualified medical personnel, and to provide sufficient staffing for the recreation centers.

Actual on-board employment reflected in the District's monthly head count includes all employees other than "intermittents" (e.g., substitute teachers), counting full-time personnel equally with part-time and temporary employees. Though total employment dropped in FY 1984, it has grown slightly in FY 1985 and in FY 1986 (see Table III-2). Shifts of employees between funding sources have been relatively minor; however, as with CFT positions, the appropriated share is rising for the reasons noted above.

Significant shifts across position type, e.g., between CFT, temporary, part-time, etc., occurred in FY 1986. Between FY 1985 and FY 1986, CFT employment increased 7.5 percent, and continuing part-time employment increased 8.1 percent, while term full-time employment dropped by 22.9 percent. This occurred primarily as a result of the FY 1985 supplemental budget. Additional funding and positions requested in a supplemental are temporary in nature, in that they do not become part of the budget base. In order for the increases in positions and funding to become a permanent part of the agency's budget, they must be requested as increases in the next annual budget. The positions are requested as new authorized CFTs at that time. Thus, to fulfill supplemental staffing needs in FY 1985, the needed personnel were hired in non-CFT positions and then converted to CFTs with the approval of the FY 1986 budget.

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[1] Though CFT positions are authorized in the appropriation, some will not be filled if funding is insufficient to support them. It is not unusual for an agency to employ fewer staff than positions.

Full-time equivalent (FTE) employment figures also suggest a slight growth in the District labor force. FTE employment represents the number of employees for all funding sources adjusted for the percentage of a 40-hour work week that they work and for the portion of the year employed. This figure should always be less than the number of total positions (including part-time slots) and more than the number of filled CFT positions. FTE employment grew 4.2 percent in FY 1985 and is anticipated to increase 3.3 and 2.9 percent in FY 1986 and FY 1987, respectively.

District employment statistics reveal a consistent picture of minor growth in the total work force. Full-time employment now occupies a somewhat greater portion of the work force than in the early 1980s, and the appropriation supports a larger piece as well. These trends show the District's efforts to improve its budgeting by shifting nonappropriated, underfunded employees to appropriated positions and to sustain and restore important programs and services.

Table III-2
CITYWIDE SUMMARY--ACTIVE EMPLOYEE HEADCOUNT FY 1983 TO FY 1986

	HEADCOUNT			
FUND SOURCE/POSITION TYPE	FY1983	FY1984	FY1985	FY1986
APPR: Continuing Full-Time	27,396	27,082	27,589	29,671
Continuing Part-Time	1,053	1,170	1,012	1,094
Term Full-Time	1,405	1,320	1,338	1,032
Term Part-Time	221	50	99	169
SUBTOTAL APPROPRIATION	30,075	29,622	30,038	31,966
INTRA-DISTRICT	1,297	1,368	1,311	1,377
FEDERAL GRANTS	5,216	5,158	5,115	5,104
OTHER REVENUE	2,470	2,573	2,629	2,698
SUBTOTAL NON-APPROPRIATED	8,983	9,099	9,055	9,179
GRAND TOTAL	39,058	38,721	39,093	41,145

Source: D.C. Office of Personnel

LABOR AGREEMENTS, FY 1985-1987

Balancing the wage and benefit needs of hardworking, dedicated employees against competing fiscal demands and available revenue is a difficult task. However, responsible public policy demands (1) equity among groups and categories of employees; (2) affordability within the context of the many competing demands for government resources; (3) reasonableness with respect to the special problems and needs of individual bargaining units; and (4) sensitivity to the precedent established by each and every decision affecting this critical area.

Title XVII of the District of Columbia Government Comprehensive Merit Personnel Act states that "an effective collective bargaining process is in the public interest and will improve the morale of public employees and the quality of service to the public." The District clearly recognizes the importance of and is committed to this labor-management partnership.

A strong labor-management partnership enabled the District to reach negotiated settlements with all unions in the District's first round of collective bargaining for FY 1982 through FY 1984. The same positive result was achieved for the subsequent three-year contract, with the five unions included in Compensation Units I and II (all unionized District Service [DS] and Wage Grade [WG] employees), the licensed practical nurses, and the fire fighters.

The negotiations with the Fraternal Order of Police (FOP) and with the D.C. Nurses Association (DCNA) reached an impasse; settlements could not be concluded between management and labor at the bargaining table. For the first time since the passage of the Comprehensive Merit Personnel Act, these negotiations went to arbitration.

The arbitrator's award in the nurses' case, which provided the nurses with a pay package similar to other District employees, was based on traditionally recognized criteria for fair compensation and included a review of internal pay alignments, comparability with similar employees' pay, protection of wages from price inflation, labor market competitiveness, and an ability to attract and retain employees. In the FOP case, however, the arbitration panel ignored these traditional factors and, instead, based its decision only on highly speculative projected increases in the Consumer Price Index (CPI) and on scheduled pay increases in four neighboring jurisdictions. Salary levels that would result from such increases were disregarded.

The FOP arbitration award differs in all respects from the pattern of settlements that had been achieved through negotiation and is unusual compared with the District's other internal pay settlements. In fact, the award includes provisions, such as prepaid legal services, that no other District employee has ever received. Furthermore, it breaks the traditional pay relationship between the District's police officers and fire fighters by providing the police officers significantly higher pay than that received by the fire fighters.

The police officers' pay raise decision will cost the District $57.4 million over the three-year period, $23.1 million more than a pay raise consistent with those received by other District employees. The increased costs will require a serious realignment of the District's spending priorities for the years of the contract as well as for the future.

EMPLOYEE HEALTH BENEFITS

The District of Columbia government does not manage and control its own employee health benefits program. As a holdover from pre-home rule days, District employees are covered by the Federal Employee Health Benefits Program (FEHBP). Enrollment is voluntary, and the only employees not eligible to join are those serving under temporary appointments limited to one year or less, intermittent employees (those with no regular tour of duty), those employees hired on a fee basis, and those employees who are already covered under the program through a family member's enrollment. The costs of the program are shared by the District government and the employee and vary depending upon the plan the employee selects.

Recently, the District has been giving serious consideration to leaving the FEHBP and developing a health benefits program of its own. A number of circumstances have contributed to the District exploring this possibility. First, such an initiative is consistent with home rule. The District recognizes its responsibility to control, manage, and make decisions and policies concerning its own affairs and allocation of resources. Under the current system, the District has no control over the benefits provided or the program costs, nor does it have information on utilization of the system by District employees or on claims experience. This lack of information has hindered the District in planning, and there are clear indications that a self-insured health benefits program would be more efficient and effective.

Table III-3
FEDERAL EMPLOYEES HEALTH BENEFIT PROGRAM: COSTS OF PARTICIPATION
CALENDAR YEARS 1980-1984

Total Contribution
(Millions of Dollars)

	1980	1981	1982	1983	1984
District share	20.5	21.6	24.2	29.7	33.1
Employee share	18.0	18.3	23.3	25.0	25.8
Total	38.5	39.9	47.5	54.7	58.9
Enrollees	31,804	30,910	31,985	30,149	30,799

Average Cost per Enrollee
(Whole Dollars)

	1980	1981	1982	1983	1984
District share	645.05	698.72	758.14	985.89	1,076.07
Enrollee share	564.40	591.25	727.07	828.16	837.64
Total	1,209.45	1,289.97	1,485.21	1,814.05	1,913.71

SOURCE: Costs from D.C. Office of Pay and Retirement Records
Enrollees from D.C. Office of Personnel Annual Reports

Secondary reasons are the federal plan's high cost, its structure, and federal government policies. For example, as can be seen in Table III-3, in calendar year 1984, the total cost to the District and its employees for health care coverage (excluding optical and dental insurance) was over $58 million, a 53.2 percent increase from 1980. On a per enrollee basis the cost increase from 1980 to 1984 was 58.2 percent. While costs inceased, the number of enrollees and coverage actually decreased. The District also has found that the multiplicity of plan options offered to employees in the FEHBP, along with an "open season" every year, results in administrative inefficiencies.

Additionally, many of the federal government's changes and proposed changes to the FEHBP, under the guise of health-care cost containment, in fact simply seek to shift costs to the employee while reducing benefits. It is the District's fear that such increases in employees' costs not only hurt the employee (who must pay more), but will ultimately put additional pressure on the public health-care system as an increasing number of District and federal employees living in the District simply elect not to purchase health-care coverage. Moreover, there has been some discussion within the federal government of excluding new District government employees from the FEBHP.

Finally, the District government provides optical and dental coverage to all employees, and thus the District's health benefits system currently is fragmented.

Unionized District employees also have voiced concern over FEHBP participation. During the FY 1985 collective bargaining negotiations, the unions complained about the high costs of the health program and its declining benefits. They also raised questions about the District's participation in the Federal Employees Group Life Insurance Program (FEGLI).

To address the concerns of both labor and management, the negotiated labor union contracts provided for the establishment of a Joint Labor-Management Health and Life Benefits Committee. That committee was formed and now is reviewing the District's options for providing employee health benefits and life insurance. Thus far, this committee has reviewed current health benefit costs and compared the District's costs and benefits with those of other jurisdictions. The committee is finding that other jurisdictions are realizing significant savings from self-insurance and various other cost-containment efforts.

The District will continue to study this issue and expects to develop a cost-effective and efficient employee health benefits program without shifting costs to the employee or reducing benefits.

CIVIL SERVICE RETIREMENT

As with health benefits, the majority of District of Columbia employees belong to a retirement system the District does not control. All permanent District employees, except police officers, fire fighters, teachers, judges, and university faculty participate in the federal Civil Service Retirement System (CSRS). While the District recognizes its responsibility in assuming this governmental function, the retirement issue presents an extremely complex problem.

Over the last several years, the federal government has made several proposals with regard to the District's participation in its retirement program. These proposals, if implemented, would require that the District establish a separate system for all its new employees and increase its financial contribution to the CSRS system for current employees.

At present, eligible employees contribute 7 percent of their salaries to CSRS. The District matches the employees' 7 percent contribution, providing the same contribution that federal agencies pay into the system for their employees. The federal government contends, however, that the "normal cost" (the percent of annual employee pay that, if contributed each year and invested until the employee's retirement, will be sufficient to support the employee's pension costs) is in fact 34.89 percent of the total salaries covered under the system. Since the CSRS receives 14 percent for District participation, this normal cost estimate suggests that 20.89 percent of the costs of the system are currently unfunded. Should federally proposed CSRS benefit changes take place, the normal cost is expected to drop 26 percent, leaving 12 percent unfunded.

President Reagan's FY 1987 budget proposal recommends a 4 percentage point increase in the District's share in FY 1987 and a 2 percentage point increase each year thereafter until the District's contribution covers the full normal cost. Under this plan, the employee share (for federal as well D.C. employees) would rise to 9 percent. The president's budget also proposes that in FY 1987 the cost to federal agencies for CSRS will increase to 9 percent.

The District is currently reviewing several alternative approaches to the retirement situation for new employees:

1. New employees could receive coverage through Social Security rather than through CSRS;

2. A defined contribution plan could be created, where the contribution rate would be fixed and the benefits received would vary depending on the contributions and their earnings. (CSRS is a defined benefit plan.)

3. A retirement system could be structured around the deferred compensation plan that the District government is currently offering its employees. This is an arrangement by which compensation to employees for past or current services is invested and not taxed until it is received by the employee after retirement. It is similar to an Individual Retirement Account (IRA).

In reviewing these options, the District must address the following difficult questions:

1. What should the employee contribute and what burden should the taxpayer assume?

2. What costs and benefits should new employees assume, and should those differ from the costs and benefits assumed by current employees?

3. Should the retirement age and/or years of service requirements be the same as in the CSRS?

Changes in the present CSRS structure will require the passage of legislation by Congress. Even though such legislation may not be forthcoming, the District will continue to review its options as part of its ongoing planning process.

SUMMARY

The District remains committed to maintaining a work force that is affordable, but whose compensation (pay and benefits) is fair and competitive. Recent pay negotiations and continuing endeavors in the areas of health and retirement represent this policy, and the District will continue to work with its employees to retain this delicate balance of equity and affordability.

GENERAL FUND ACCUMULATED DEFICIT

Until 1981, when the District's financial results were first reported according to generally accepted accounting principles (GAAP), the District's overall financial condition was not known. The first GAAP-based financial report, however, revealed an accumulated General Fund operating deficit of $378 million at the close of FY 1980. This meant that the General Fund's accrued liabilities from past years exceeded its current assets by $378 million. That amount, equal to 22 percent of General Fund revenues for FY 1980, concerned District financial managers because of its negative effect on the city's cash reserves and its potential to damage the city's creditworthiness.

Although there are several explanations for the deficit's existence, the most important one stems from the District's pre-home rule legal and fiscal status. Prior to home rule, the District was a federally controlled entity and, as such, followed the financial management procedures of a federal agency rather than a municipality. Although the District's budget was balanced when Congress adopted it, the adopted budget often became unbalanced as the fiscal year progressed and revenue and expenditure estimates changed. Furthermore, end-of-year revenues were compared to cash disbursements during the fiscal year, rather than against total obligations incurred.

Therefore, although the financial statement at the end of a fiscal year showed a favorable balance on a cash basis, a statement prepared on an obligation or expenditure basis would have shown a deficit. Unrecognized deficits were accumulated and, by the close of FY 1980, had grown to $378 million.

The deficit absorbed District cash already made scarce by the cyclical revenue fluctuations that are normal for tax-dependent municipalities. At the end of FY 1983, cash reserves were so low that they would cover only three days of continuing government operations. Cash-flow problems are now being met through short-term borrowing in the municipal bond market, rather than through advances from the U.S. Treasury. However, a persistent cash problem threatens to make short-term borrowing a permanent feature of the District's financial practices. Such a situation could lead to a lowering of the District's credit rating and, ultimately, to higher interest rates on any funds that the District may have to borrow. Standard and Poor's, a major rating firm, recently assigned District long-term notes an "A" rating (an average rating on a scale of AAA to B), citing the deficit as a factor. Although it is difficult to assign a dollar value to the difference between one rating and another, it is clear than the District's interest costs will be higher with the A rating than they would have been had the bond issue rating been AA or AAA, and the deficit carries a portion of the responsibility. Thus, deficit reduction is clearly in the public interest.

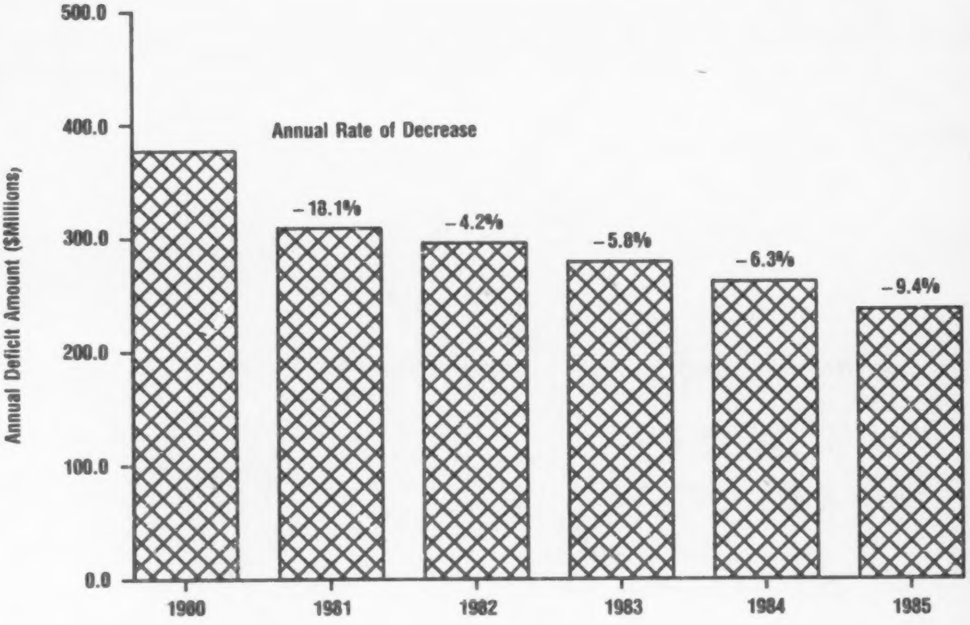
ELIMINATING THE DEFICIT

The continuing implementation of the Home Rule Charter, combined with the stringent GAAP basis of financial management and disclosure, has put the District in a better position to devise an effective deficit-reduction strategy.

Figure III-1 shows the reduction of the accumulated deficit from its peak in FY 1980. The decline reflects actions taken by the Mayor and the Council to balance current revenues and expenditures (to prevent additional deficit accumulation) and to budget funds each year for deficit reduction. Since FY 1981, the District has produced balanced budgets, as well as end-of-year surpluses to reduce the accumulated deficit (see Table III-4).

This program of deficit reduction continues. Given the initial size of the deficit, however, a long-term plan is clearly needed to eliminate it. The Mayor's comprehensive deficit-reduction plan, submitted to Congress in FY 1983, proposes a three-pronged strategy involving both the District and federal governments.

Figure III-1
GENERAL FUND ACCUMULATED DEFICIT, FY 1980 - FY 1985



Source: D.C. Controller's Office

It calls for the District to eliminate one-third of the accumulated deficit through budgetary means (which, as Table III-4 shows, has already been accomplished); another third would be eliminated through a special federal payment matching the District's efforts; and the remaining third would be eliminated through the issuance of a specific deficit reduction bond by the District.

Table III-4
GENERAL FUND ACCUMULATED DEFICIT, FY 1980 - FY 1985 ($ Millions)

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985
Fund Balance, beginning yr.	-284.0	-377.8	-309.5	-296.4	-279.3	-269.9*
Deficit Reductn.	-93.8	68.3	13.1	17.1	17.5	24.9
Fund Balance, end of yr.	-377.8	-309.5	-296.4	-279.3	-261.8	-244.9

Source: D.C. Controller's Office

* Long-term deficit amount restated in 1984

In formulating this strategy, the District seeks to address the two serious deficit-related problems that it now faces: its creditworthiness and its cash position. The strategy of selling municipal bonds to cover a portion of the deficit is critical because it would accomplish the following:

(1) reduce the need for short-term funds by increasing current assets;

(2) establish a formal and orderly process for eliminating the deficit and thus reduce the cost of subsequent debt through a more favorable credit rating and lower interest costs; and

(3) rely less heavily on the budgetary solution to the deficit problem. The budgetary solution is somewhat risky because its success depends on the extent to which actual revenues exceed expenditures at the end of the fiscal year.

Though the federal government has not agreed to this strategy, the District has already adhered to its commitment and thus has not included any funds for a deficit reduction payment in FY 1987. The District has repaid almost 37 percent of the original deficit, well in excess of the one-third share the District has proposed to repay through budgetary means and continues, under Congressional mandate, to devote scarce resources to additional repayment. It is urgent that the federal government assume its share of this pre-home rule obligation.

DEBT MANAGEMENT

HISTORICAL OVERVIEW

Historically, the District relied upon Treasury notes for long-term borrowing. In the 1970s, however, both the District and the federal government sought to end this reliance on Treasury financing. The District sought political independence from the federal government and lower interest rates available in the tax-exempt municipal bond market. The federal government was anxious to terminate this administrative responsibility and burden on its budget.

Section 461 (a) of the Home Rule Act authorized municipal debt financing, stating that "the District may incur indebtedness by issuing general obligation bonds to refund the indebtedness of the District and to provide payment of the cost of acquiring or undertaking its various capital projects." Congress blocked early entry to the municipal bond market by requiring that the District undergo an independent audit prior to issuing bonds. After the first audit concluded that the District's records were inauditable in 1976, the District and federal government jointly undertook the design and implementation of a major computerized financial management system. During the second audit in 1979, auditors found a previously unknown $284 million general fund operating deficit, largely resulting from the federal government's neglect of accrued liabilities incurred while administering the District.

Since then, the District has taken major steps to improve its finances: the city produced independently audited annual financial reports, adopted GAAP procedures, and balanced its budget for five consecutive years while reducing the accumulated deficit by $141.6 million at the end of FY 1985 from the FY 1980 peak of $378 million. Moody's and Standard & Poor's, the two major credit rating agencies, recognized these accomplishments by giving the District their highest short-term credit ratings for its first public issue in October 1984. The District entered the long-term debt market for the first time in December 1984, with the sale of $80 million in general obligation bonds to refinance existing debt from the U.S. Treasury, followed by $173 million in general obligation bonds to finance new capital projects.

THE SIZE OF THE DISTRICT'S DEBT

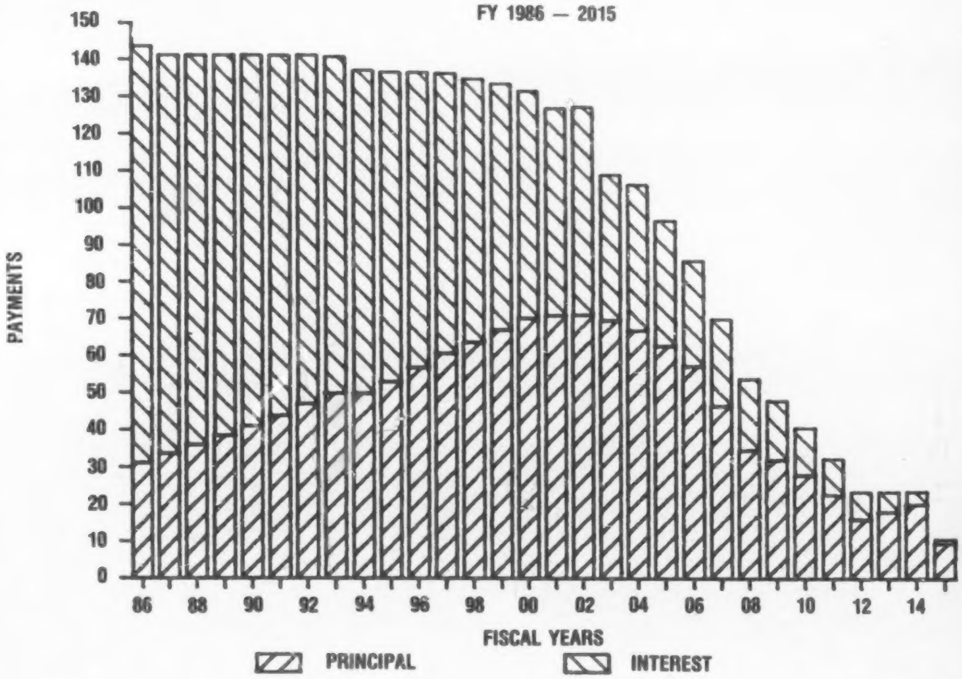
The District's total outstanding long-term debt has increased by 40.4 percent, from $1,467 million in FY 1975 to $2,059.5 million in FY 1985. The District's debt per capita increased 60.5 percent during this period to $3,290. Moody's considers debt per capita over $2,004 as high for cities with populations over 500,000; however, this standard has only limited use for the District because of the District's unique role in providing both state and local government functions. At the end of FY 1985, total debt as a percentage of actual value of taxable property stood at 7.6 percent, continuing a steady decline from 14.7 percent in FY 1976. The District's total debt is projected to grow by $130 million in FY 1986 to $2,189.5 million. The District's total debt is projected to grow by $130 to $175 million annually through FY 1990. This growth in outstanding debt reflects the District's heavy reliance upon borrowed funds to finance costly projects to repair and replace aging infrastructure, improve public services, enhance economic development, and comply with federal laws and regulations.

The District's annual debt service, the annual payment for interest and principal retirement on all existing debt, increased by 57.6 percent, from $92.5 million in FY 1980 to $145.8 million in FY 1985. As a percentage of general fund expenditures, debt service in FY 1985 stood at 6.6 percent, essentially the level at which it has remained since FY 1979. The District's general fund debt service is projected to grow each year by 8.2 percent through FY 1990. The city has increased its borrowing in recent years and, until it entered the municipal market, has borrowed at higher rates with long maturities that delay repayment of principal until the end of the term. Even given these growth assumptions, annual debt service will remain for the foreseeable future below the ceiling established in the Home Rule Act, which prohibits annual debt service from exceeding 14 percent of adjusted total revenue (see Table V-5).

THE DISTRICT'S DEBT

TREASURY NOTES. As of December 1985, the District has outstanding debt of $1,596.3 million in the form of Treasury notes. Treasury notes make up 77.5 percent of the District's long-term debt. Generally, these notes have 30-year maturities and bear interest at rates established by Treasury. These notes are unsecured general obligations of the District and, as such, are not secured by a pledge of the District's full faith and credit, any special property tax or special tax fund, or pledge of or security interest in any other District revenue. Principal and interest payments for $1,373.5 million in debt are paid from the general fund and require annual appropriation. An additional $222.7 million debt incurred for improvements to water and sewerage treatment facilities will be repaid from water and sewer user charges. As Figure III-2 illustrates, Treasury loan debt service will remain over $140 million through FY 1993, decline slightly to $133.6 million in FY 2000, and fall steadily thereafter through FY 2015.

Figure III-2
TOTAL TREASURY DEBT SERVICE FY 1986 - FY 2015



Source: Series 1985C General Obligation Bond Official Statements

GENERAL OBLIGATION BONDS. The District has $463.2 million in outstanding general obligation bonds. Treasury debt refinancing accounts for $290.2 million in general obligation debt, while $173 million constitutes new debt incurred for capital project financing. These bonds constitute 22.5 percent of the District's long-term debt and are secured by the District's full faith and credit. The Home Rule Act requires Council to budget annually sufficient funds to pay debt service on all general obligation bonds and notes and exempts these funds from annual Congressional appropriation. Series 1985B and 1985C bonds, which with a principal value of $383.2 million constitute the bulk of the District's general obligation debt, are further secured by levy of an annually collected special property tax. Rates are established each year at levels sufficient to pay principal and interest for these bonds when due. Under circumstances in which the District can not otherwise repay these debts, and in accordance with the Bond Act, the District must apply the federal payment to pay debt service and seek Treasury loans to meet its debt obligations. Water and sewerage user fees will be used to reimburse the General Fund for $55.5 million of these bonds. General revenues will be used to repay the remaining bonds.

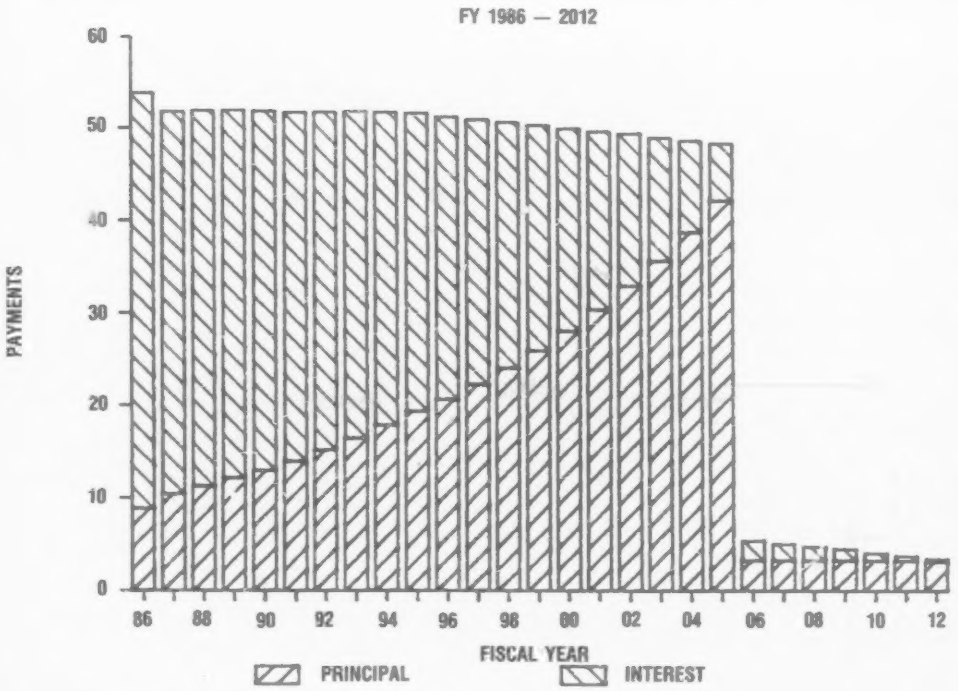
As Figure III-3 illustrates, general obligation bond debt service will range from $53.9 million in FY 1986 to $48.4 million in FY 2005. This figure underestimates future debt service because it does not include principal and interest on debt issued to finance new projects after FY 1992.

INTEREST RATES AND THE COST OF BORROWING

Interest rates have a major effect on borrowing costs. For example, a drop in the interest rate to 9 percent from 10 percent reduces the lifetime cost of borrowing $20 million for 30 years by $5.2 million. In general, municipal bond yields tend to follow most rate fluctuations in Treasury notes. Municipal bond yields followed the decline in general interest rate in 1985. Interest rates fell because of lower corporate borrowing and expansive monetary policy. (See the discussion on interest rates in the Economic Outlook section of Chapter III.)

Traditionally, yields for municipal bonds are considerably lower than yields for comparable Treasury notes because, unlike Treasury notes, interest income on municipal bonds is tax-exempt. The spread between taxable and tax-exempt bonds has been very small in 1985, reflecting the great volume of municipal debt issued in 1985. Municipal bond issuers sold and commercial banks and other large investors bought record levels of municipal debt in 1985 before proposed leglislation limiting the tax-exempt status of many kinds of municipal debt could go into effect in 1986. At the end of December, the average yield of 30-year, AAA-rated bonds stood at 8.30 percent, only 1.02 percent below the yield of comparable Treasury notes.

Figure III-3
TOTAL GENERAL OBLIGATION BOND DEBT SERVICE FY 1986 - FY 2012



Source: Series 1985C General Obligation Bond Official Statements

Another major determinant of a state or local government's borrowing costs is its credit rating, the market's assessment of the investment quality of its debt. At the end of December, the average yield of 30-year, Baa-rated municipal bonds stood at 9.50 percent, 1.20 percentage points higher than average yields of comparable AAA-rated bonds. Since its entry into the market, the District has received long-term credit ratings of "Baa" from Moody's and "A" from Standard and Poor's.

THE DISTRICT'S DEBT MANAGEMENT PLAN

IMPROVING THE DISTRICT'S CREDIT RATING. The District has received investment-grade credit ratings. Standard and Poor's "A" rating denotes "a strong capacity to pay interest and repay principal, although . . . somewhat more susceptible to adverse changes in circumstances and economic conditions than debt in higher rated categories." Moody's assigns its "Baa" rating to denote bonds where "interest payments and principal security appear adequate for the present, but certain protective elements may be lacking or may be characteristically unreliable over any great length of time".

The District's financial advisor, Lazard Freres, reported in January 1985 that the rating agencies and other municipal credit analysts recognize the District's substantial improvement in its financial management but harbor concerns about the city's relationship with the federal government. Specifically, the rating agencies are concerned about the following: (1) the District's inheritance from the federal government of a $179 million accumulated deficit, a $3 billion unfunded pension liability for police, fire fighters, teacher, and judges, and substantial high interest Treasury debt; (2) federal prohibition against the levy of a commuter tax; (3) the lack of a predictable and adequate federal payment; and (4) questions about the District's sovereignty and potential for Congressional interference in the District's financial affairs.

The District has long recognized and has vigorously pursued resolution of many of these concerns. The District has pushed for approval of a constitutional amendment granting statehood to the city and strongly supports a pending Congressional resolution authorizing a commuter tax. Last session, the District had legislation pending before Congress to gain a formula-based federal payment equal to 35 percent of audited local tax revenues for the second preceding year. At the minimum, the District seeks a multiyear appropriation using the 35 percent formula. The District is pressing the federal government to assume one-third of the the cost of eliminating the deficit from its peak at $378 million. For police officers, fire fighters, teachers, and judges retiring on regular pensions or disability prior to, or on the payroll at the time of Home Rule, the District wants the federal government to accept all of the responsibility for the unfunded liability as of October 1, 1979. Equitable resolution of these issues will go a long way toward eliminating the uncertainty in the District-federal government financial relationship and improve substantially the District's credit rating and financial position.

TREASURY DEBT REFINANCING. The District is in the process of refinancing its high-interest Treasury debt. In FY 1985, the District refinanced seven 30-year Treasury notes carrying an outstanding balance of $277 million and interest rates over 14.0 percent with two general obligation bond issues, 1985A and 1985C. Projected savings from reduced interest costs over the life of these bonds is approximately $370.1 million. Calculated on the basis of net present value, a concept that discounts the value of future, as opposed to current, savings, the value of refinancing savings in current dollars is approximately $76.3 million. In FY 1986, the District plans to refinance as much as $326 million in Treasury notes in March 1986. The actual amount of refinancing will depend upon whether the difference in the yields of existing Treasury debt and the prevailing rates for municipal bonds justifies the time and expense of issuing new debt.

PAY-AS-YOU-GO CAPITAL. Another means to reduce interest costs associated with capital financing is to avoid borrowing altogether by financing projects directly from operating revenues. In FY 1985, the District budgeted $5,087,000, as well as $3,531,000 in FY 1986, and $298,000 in FY 1987 for second- and third-year project costs of the Pay-As-You-Go Capital program. This program finances repair and small capital projects directly from the General Fund. Only second year costs of FY 1985 Pay-As-You-Go Capital projects are being funded in FY 1986. No new projects were proposed for the Pay-As-You-Go program in FY 1986.

CONSIDERING THE CASH AND BUDGETARY IMPACT OF DEBT INCURRENCE. The District repays its debt more slowly than many other jurisdictions. Quick repayment reduces interest costs because the period for which interest is charged is minimized and yields are reduced because shorter loans are generally regarded as more secure than longer ones. Other jurisdictions speed principal repayment by entering into relatively short-term loans and using such devices as equal level principal payments, a method which reduces the principal by an equal amount each year over the life of the loan. Historically, the District relied upon relatively long loans, which, like a traditional mortgage loan, often delayed principal repayment to the end of the term.

The District cannot afford to repay principal as quickly as many other jurisdictions. The existence of the large accumulated deficit and the federal government's refusal to share responsibility for its repayment or to permit issuance of dificit-reduction bonds means that scarce revenues must be used to repay the accumulated deficit, leaving the District unable to quickly repay its debt. To conserve its working capital, the District keeps its annual debt service lower than other jurisdictions. Despite these realities, the District has an excellent record in accelerating debt repayment. By refinancing $279 million in Treasury loans, the District cut the average life of this debt by 5.0 years, from 20.4 to 15.4 years.

The District will be in a position to go toward quicker principal repayment after the accumulated deficit has been eliminated or substantially reduced.

FUTURE CHALLENGES

The District's successful entry into the debt market signaled tremendous progress in improving its debt management and general finances; the city faces serious challenges in providing affordable capital project financing for the coming years, however. Proposed federal legislation sharply restricts the types of projects and investors eligible for tax-exempt financing. If the proposed legislation was enacted and effective in 1985, tax exemptions for 25 percent of municipal debt issued nationally during that year would have been eliminated. This change will force the District and other state and local governments to forego projects ineligible for tax-exempt financing or to finance them directly from operating revenue or higher-cost taxable financing. The proposed legislation also eliminates several important tax benefits that banks, traditionally major municipal bond investors, can enjoy by purchasing municipal bonds. This change will cut demand for municipal bonds, causing municipal yields to increase.

CASH MANAGEMENT

Throughout the financial community, cash management is the collective strategies, techniques, and procedures used to increase the productivity of the cash that flows through an organization. The basic principles of cash management are (1) to accelerate the collecting and depositing of cash and (2) to invest cash balances at the best possible rate of return.

Historically, large corporations have looked upon cash management as a very fertile area for significantly increasing revenue. Indeed, by closely following accepted theory, many large corporations have been able to generate at little cost considerable interest income. In recent years, many state and local governments also have found cash management to be an area that can increase revenue significantly without placing a burden on taxpayers or requiring major capital outlays.

With the passage of the D.C. Depository Act of 1977, the District government took charge of its own finances from the federal government and installed a cash management unit to handle the District's cash affairs. The D.C. Cash Management Unit, located in the Office of the D.C. Controller and operating under the direction of the Deputy Mayor for Finance, carries out all the responsibilities set forth in the D.C. Depository Act of 1977. Thus, the Cash Management Unit has direct responsibility for handling all the District government's banking and investment activities, except the pension funds administered by the D.C. Retirement Board.

Moreover, the Cash Management Unit establishes, administers, and maintains all bank account contracts for the District government. In administering the District government's cash, investments, and debt management policies, the office:

- maintains funds-flow to and from all bank accounts and controls the issuance and release of all checks drawn on checking accounts, including, but not limited to, the FMS checking account;
- prepares cash forecasts and monitors the District's daily cash position;
- establishes budget estimates for investment income;
- selects and approves new investment dealers;

- coordinates the request for and receipt of federal grant funds, federal government cash advances, funds from the D.C. Retirement Board, capital outlay loans, and federal government appropriations to the District government;
- exercises final signatory authority on letter of credit documents for the drawdown of federal funds;
- authorizes the printing of FMS checks and certifies the totals of each FMS check register before checks are signed and released;
- exercises final signatory authority for the issuance of FMS emergency manual checks and FMS voucher schedule payments; and
- prepares periodic and annual cash management and investment reports and other financial and special reports on the cash condition of the District.

DISTRICT INVESTMENT AND SOURCES OF GENERAL FUND REVENUE

The District's cash flow of about $3.3 billion a year fluctuates considerably because of timing differences between its receipts, such as the federal payment, tax collections, debt financing proceeds, and other miscellaneous receipts, and its payments, such as the Washington Metropolitan Area Transit Authority, retirement, payroll, and purchased goods and services. Based on a clear understanding of the District's cash flow needs, the Cash Management Unit invests every available dollar to maintain the District's purchasing power and to maximize investment returns without sacrificing safety.

Like most other state and local governments, the District government occasionally needs to borrow additional cash when seasonal fluctuations in receipts cannot meet peak payment requirements. To meet such cash requirements, the District was limited until 1984 to borrowing only from the U.S. Treasury. In February 1984, however, the District negotiated for the first time the private sale of $150 million of its own tax-revenue anticipation notes. Furthermore, on October 15, 1984, the District sold to the general public an additional $150 million in tax-revenue anticipation notes, which were paid in full on September 30, 1985; and on October 8, 1985, the District sold another $150 million in tax-revenue anticipation notes. Such notes, backed by real property taxes as a source of repayment, constitute general obligations of the District of Columbia, and the full faith and credit of the District government are pledged to the payment of principal and interest when due.

RECENT INVESTMENT SUMMARY STATISTICS

Table III-5 summarizes the District's investment activities for the past three fiscal years.

Table III-5
DISTRICT INVESTMENT OF THE GENERAL FUND, FY 1983- FY 1985
($ Millions)

Fiscal Year	Average Invested	Interest Earned	Average Int. Rate	Avg. 90-day T-Bill Rate
1983	123.9	11.5	9.25%	8.63%
1984	160.8	16.5	10.15%	9.57%
1985	256.2	22.6	8.81%	7.55%

The District anticipates continued growth in its General Fund's average investable balances. Nonetheless, because of the slow growth of the economy and a softening of short-term interest rates, the District does not expect to realize the same high level of returns that it enjoyed in previous years.

CASH INVESTMENT POLICIES

It is the District's policy to practice an investment strategy that emphasizes safety, liquidity, and yield. That policy, as mandated by the D.C. Depository Act, is to invest only with qualified and approved investment firms or banks and to require that such funds be invested only in instruments backed by U.S. Treasury issues or other U.S. government-guaranteed securities, such as those of the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation. In addition, District investment policy requires that all funds be backed by securities of equal value.

In selecting maturity dates for investments, the District's cash managers make and continually update very detailed projections of cash needs and availability. Maturity dates and dollar amounts are then selected to make sure that there is enough cash to cover all projected needs, as well as any unexpected disbursements that might be required. This is an essentially conservative investment strategy, but one that helps ensure that the District can cover on any given day all disbursements and check clearings, regardless of the amount.

The District's cash managers are instructed to obtain the highest yield possible, consistent with the previously stated safety and liquidity concerns. This is pursued by maintaining a list of highly qualified investment firms and local banks in order to obtain fully competitive bids on District monies that are available for investment. On each day that funds are available, the District's cash managers contact firms on the approved list of investment firms and solicit bids from them. The cash managers then select the highest bid available for each selected maturity. The District's investment custodial bank is authorized to wire District investment funds only on the receipt of collateral that is identified in advance and which meets the District's list of authorized securities.

PORTFOLIO STRATEGY

Enhancing investment returns without sacrificing safety is not an easy task. To achieve a balance between these two goals, the District developed the following portfolio objectives:

- Maintain purchasing power parity.
- Maximize yield to maturity.
- Match a prescribed liability schedule.
- Maximize cash flow.
- Provide a reserve against uncertain liabilities.
- Provide liquidity.

PORTFOLIO TACTICS

Portfolio tactics focus on the narrow decision of security selection. By achieving a diversity of security types and markets represented in the portfolio, the cash manager reduces the District's overall risk. Careful security selection can add significant incremental returns over time, without violating any of the decisions related to the District's portfolio strategy.

Given the District's strong desire for safety, it has relied on money market instruments that mature in less than one year and function as near substitutes for money to achieve its portfolio strategy objectives. To date, the District uses two conservative investment facilities: repurchase agreements and certificates of deposit. Repurchase agreements consist of an investment bank's sale of securities for the District's cash and simultaneously entering into a commitment for the District to resell the securities back to the dealer on a specific date at a specific rate of interest. For its monies, the District will enter a repurchase agreement for a maximum of 91 days and only accept the safest and most liquid securities that are direct obligations of the U.S. government and its agencies.

The District invests in another instrument that carries a minimum credit risk and also serves to stimulate the economy of the District. In FY 1985, the District invested $42 million with local banks in negotiable time certificates of deposit (CDs) and has already purchased $68 million during FY 1986. These CDs are simply a receipt from a bank for the deposit of funds for a specified period of time at a specified rate of interest. Since the bank agrees to pay principal and interest at maturity of deposit, the receipt becomes a negotiable instrument.

D.C. DEPOSITORY ACT. Since the conception of the D.C. Depository Act, there have been significant advancements and changes within the financial industry involving regulatory changes, service delivery, and attitudes about social responsibility versus stockholder interest. Consequently, a proposed replacement of the Depository Act of 1977 has been drafted that will seek to give greater flexibility to the District's cash managers, provide more protection and security for public funds, and facilitate greater competitiveness for District funds. The proposed new "Cash Management Act of 1985" is currently under review by the appropriate governmental units and private-sector groups prior to its being submitted for the District Council's consideration in FY 1986.

CONTRACTS AND PROCUREMENT

Establishing a model procurement system is an overriding priority for this administration, a priority comparable to that assigned to improving its financial management and economic development programs since FY 1980. Steps currently are being taken to implement an executive program for procurement improvement consistent with comprehensive procurement legislation recently passed by the District Council.

Executive plans for comprehensive procurement management improvements are focusing on increasing central oversight and coordination through a "procurement executive" office; upgrading procurement operations within the Department of Administrative Services, the District's central contracting agency; placing greater emphasis on staff training and career development; and further developing computerized management information systems for the procurement process.

PROCUREMENT PHILOSOPHY

The District government fully recognizes the enormous impact that its procurement policies can have in fostering economic development for the community at large and especially for minority and small business. Because minorities in Washington do not yet share proportionately in economic opportunity or benefits, the District government has made affirmative action a key element in its process of purchasing goods and services. District procurement policies must also maximize every opportunity to channel purchasing dollars into the development of local commerce. Only by expanding economic growth and broadening the tax base can the District guarantee its long-term fiscal health and effectively meet its citizens' needs.

This administration's procurement philosophy embodies a willingness to provide opportunities for new and emerging minority and small businesses, to create jobs, and to build the District's commercial tax base. At the same time, it remains dedicated to obtaining the highest purchasing value for its tax dollar.

PLANS FOR PROCUREMENT REFORM

(1) Developing Management Information System. The District is developing automated procurement management and central inventory control systems similar in scope to the District's Financial Management System.

(2) Enhancing the System of Consolidated Purchases. The automated and improved availability of procurement data will permit the District to review bulk purchasing, term contracts, and "small purchase" contracts (those under $10,000) across the District to achieve greater economies of scale.

(3) Improving Central Coordination and Oversight. A Procurement Executive Office will be established to coordinate District agencies' common procurement practices and concerns and advise the Mayor regarding District-wide purchasing and contract activities. Identifying means of further improving the District's procurement process will be a major responsibility of this office. Also, the Department of Administrative Services (DAS) will create an independent procurement oversight office responsible for procurement activities such as developing the automated data systems, revising procurement regulations, and overseeing the review and development of standard specifications.

(4) Developing a System to Forecast Contract Termination. A forecasting system will permit the District to plan better for competitive contract awards and will enhance purchasing competition by issuing timely information to District agencies and contractors alike.

(5) Increasing Minority Business Enterprise (MBE) Participation. Though minority business enterprise participation has exceeded mandated levels, the new central coordinating office will work to improve this record.

(6) Augmenting Experienced Procurement Staff. The Department of Administrative Services is expanding its procurement staff with experienced professionals in FY 1986, but will receive additional funding in the FY 1987 budget to support further enhancement.

(7) Increasing Training and Career Development. The District is developing and promoting programs to upgrade procurement personnel, including recruitment, training, career development, and development of standards of performance. Intern and cooperative education programs are also being considered as part of the training and career development.

(8) Establishing a Procurement Hotline. The District has established three "hot lines" in The Department of Administrative Services to give current bid information 24 hours a day by recorded message.

(9) Updating the Procurement Manual. Comprehensive procurement regulations and an administrative manual are now being written to replace the Materiel Management Manual.

(10) Reducing Contract Turnaround Time. Through changes and improvements exemplified by those listed above, the District expects to reduce its contract processing time significantly.

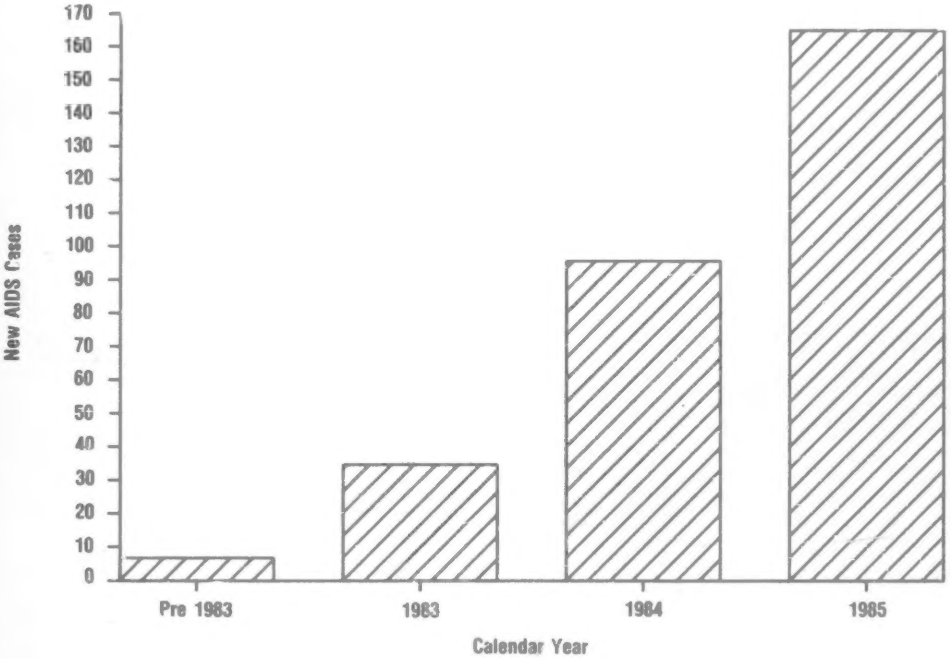
(11) Limiting Contracting Authority. Contracting authority given to certain agency directors is now limited to $1.0 million, a reduction from the previous $5.0 million level. All contracts over that amount must now be approved by the Mayor or the City Administrator.

Initiatives such as these will improve the District's contracting and procurement system and remove uncertainties with regard to the fair and competitive nature of District awards. These improvements meet this administration's requirements for achieving efficiency and economy in the provision of public service, while maintaining the District's strong commitment to affirmative action and local economic development.

AIDS

AIDS (Acquired Immune Deficiency Syndrome) is a complex and serious public health problem not only for the District of Columbia but for the nation. In the District, it is clearly a citywide problem with cases reported in all wards. As of January 15, 1986, for the period between September 1980 and December 31, 1985, 303 AIDS cases were diagnosed in the District, and 164 of those reported as having the disease died. Four of the diagnosed cases were pediatric cases, two of whom died. The number of cases diagnosed in calendar year 1985 increased by 72 percent over those cases diagnosed in 1984 (see Figure III-4). Nationally, the cumulative number of cases is projected to double during the next year.

Figure III-4
NEW DISTRICT OF COLUMBIA AIDS CASES, BY CALENDAR YEAR

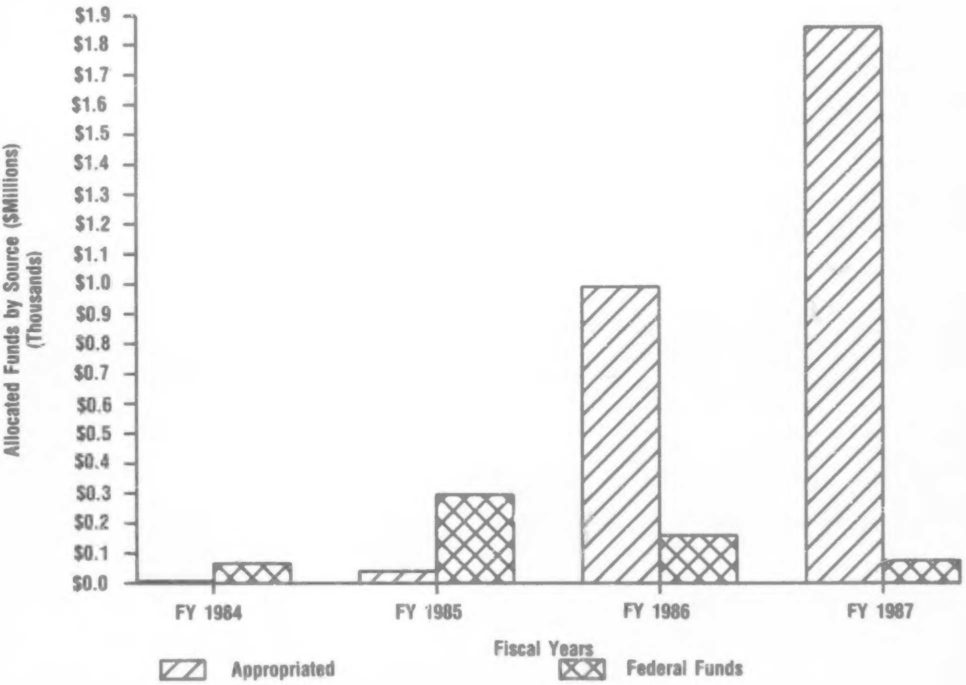


Source: Department of Human Services

Through the Department of Human Services and the Commission of Public Health, the District is closely monitoring the AIDS crisis and is taking action to address it. Recognizing the urgency of the situation in May 1983, the District established a broadly based task force representing the at-risk population, service providers, and public health specialists to advise the Commissioner of Public Health on this problem. That task force has played an active role in recommending AIDS policy, procedures, and programs.

As the AIDS problem has intensified, the District has reacted by identifying appropriated funds for AIDS-related activities. This financial commitment has grown from $10,000 in FY 1984 to $1,859,000 proposed in the FY 1987 budget (see Figure III-5). The extreme urgency of the AIDS problem, something that could not be anticipated when the FY 1986 budget was prepared, has required the Department of Human Services to devote more funds to AIDS activities in FY 1986 than had originally been planned.

Figure III-5
AIDS PROGRAM FUNDING, DEPARTMENT OF HUMAN SERVICES FY 84-FY 87



SOURCE: Department of Human Services

In FY 1987, more than one-third of the appropriated AIDS monies will be spent on prevention and education. Prevention activities are particularly important because there is currently no known cure for AIDS. The remaining funds will provide supportive services to those afflicted, including funds for shared living facilities and chore services for those who can remain in their own homes.

While the monies included in Figure III-5 represent appropriated and federal funds designated for AIDS-related activities, they do not reflect the total direct costs of AIDS to the District. AIDS victims often must rely on other District-administered programs such as Medicaid, food stamps, and general and emergency public assistance programs. The Department of Human Services has developed a departmentwide plan to expedite the delivery of services to eligible AIDS victims. In addition, a number of other agencies are studying the AIDS problem and providing in-service training and education programs for their employees.

In an effort to coordinate the District's response to AIDS and to maximize the available resources devoted to the problem, the Mayor requested the Director of the Department of Human Services to convene an interagency committee. This committee will coordinate District agencies' activities related to all aspects of AIDS and create a District-wide plan for addressing the wide spectrum of issues related to the AIDS crisis.

CHAPTER IV: THE FY 1987 OPERATING BUDGET REQUEST

The preceding chapters have reviewed the District's recent fiscal history and trends, analyzed the FY 1987 current services outlook, and highlighted key spending and program areas that influence the District budget. These discussions, however, are the foundation of a larger structure. To understand how prior fiscal trends and current services needs are molded into an affordable, yet serviceable, spending plan, it is necessary to review the elements of the FY 1987 budget in closer detail.

This chapter presents the FY 1987 budget in its entirety and explains its relationship to the current FY 1986 budget. There is a narrative discussion of each agency, highlighting the FY 1987 programs and funding sources. The program discussion links the appropriated budget to the nonappropriated funding so that a comprehensive picture of resource availability is provided. Following the agency program discussion is a summary of the budget by funding source -- District, federal, and other -- for FY 1985, FY 1986 and FY 1987. Key program measures are presented to reflect the productivity and workload of the agencies also for FY 1985, FY 1986, and FY 1987.

BUDGET ASSUMPTIONS

The FY 1987 budget was developed over the course of six months, beginning with a planning budget in July 1985, establishing preliminary budget levels in September 1985, issuing a formal budget call in November 1985, and receiving and reviewing a final budget submission in early January 1986.

Agencies were asked to use certain assumptions so that a consistent and cohesive set of estimates for common items could be presented for all agencies. Agencies were also required to absorb the cost of certain items due to funding constraints.

The primary assumptions are as follows:

(1) Employee Compensation

The budget assumes a 4 percent base pay increase on October 1, 1986 and a maximum 1.2 percent within-grade increase. The pay assumption is based upon the final year of the collective bargaining agreement negotiated with the District's Compensation Units 1 and 2, LPN's and registered nurses (decision resulting from arbitration). The 4 percent pay assumption was also used for the District's nonunion employees who are covered by the Mayor's pay plan. Actual within-grade increases were assumed for agencies with increases below the 1.2 percent ceiling.

A base pay increase of 4 percent is also included in both the Police and Fire Departments. The one and one-half percent increase for firefighters effective April 1, 1987 is also included. Police officers (private through sergeant) will receive an additional one and one-half percent pay increase plus additional fringe benefits in FY 1987 due to recent Council action. The President has recommended an increase in the federal payment in the budget he has submitted to the Congress. After the increased authorization is approved by the Congress, a request will be forwarded to the Council and the Congress to appropriate the FY 1987 cost of the additional pay increase.

(2) Inflation Assumptions

Agencies were asked to absorb the inflationary increases in supplies, equipment, and certain items in other services and charges. The inflationary rate projected in FY 1987 is 4.7 percent for supplies, 4.5 percent for equipment, and 5.2 percent for certain items in other services and charges, or a weighted average of 5.0 percent. In FY 1986, the inflation rate budgeted for these items averaged about 5.9 percent; therefore, agencies have some flexibility in their budgets to help absorb these increases in FY 1987.

(3) Communications Cost

The one inflationary increase funded in the budget is for communications, or more specifically, telephone costs. Telephone expenditures are expected to increase significantly in FY 1987.

The Public Service Commission's December 31, 1985, ruling on Case Number 827 (Order number 8374) raised the rates for Centrex customers effective January 1, 1986. The Commission raised the exchange rate, the charge for intra-system phone service, by 34.3 percent, from $1.43 to $1.92 per line. This increase affected the District and all other Centrex users immediately. The Commission also raised the intercommunication rates, the charge for local service, by 31.5 percent or $2.00 per line from $6.40 to $8.40 per line. The District will not immediately be affected by this increase because it is a member of a rate stabilization plan which protects it from increases in these rates. However, the District faces the 31.5 percent increase in intercommunication rates when its three-year plan expires in July 1986.

Based on the fact that the District's Centrex contract expires in July 1986, funding is included in the FY 1987 budget to help offset these costs. A 10 percent inflationary increase is requested until such time as a telecommunications system is selected. Requested increases exceeding 10 percent reflect adjustments to bring the FY 1987 budget more in line with actual expenditures or provide program enhancements, such as telephone upgrades and installation of new telephone systems.

(4) Energy Costs

Energy costs were projected based upon the following unit cost assumptions: electricity, $.067 per kwh; gasoline, $1.04 per gallon (inclusive of transportation and distribution costs); heating oil #6 (the most frequently purchased grade), $0.724 per gallon; natural gas, $0.725 per therm; and steam, $15.50 per thousand pounds.

Agencies used the estimates prepared by the Department of Administrative Services as of December 1985 to project energy needs. These were the best estimates the Department had at that time. This is a very volitile market and prices could increase dramatically or continue to decline based on the supply and demand in the world market.

Where the total projected costs in FY 1987 were less than the amount budgeted for energy in FY 1986, funds were redirected to meet other needs.

(5) New Positions

New positions are funded for 9 months unless otherwise specifically noted in the budget submission. This is done to account for the fact that the recruitment and selection process normally cannot commence until the position has been authorized and funding approved by Congress, which is often near or after the start of the fiscal year. Supplies and equipment are requested to support new positions.

Throughout the operating budget, the FY 1985 expenditures reflect the audited amounts included in the District's FY 1985 Comprehensive Annual Financial Report (CAFR) issued January 31, 1986, and as reflected in the letter to the Council of the District of Columbia dated, January 31, 1986.

FISCAL YEAR 1986-1987 CHANGES

Table IV-1 compares the District's FY 1986 approved and FY 1987 proposed budgets and displays the FY 1986 to FY 1987 change, the rate of growth from FY 1986 to FY 1987, and the average annual rate of growth from FY 1983 through FY 1986. (Appendix Table G-11 presents this information in more detail.)

TABLE IV-1
COMPARISON OF GROWTH RATES IN DISTRICT SPENDING: FY 1986-1987
($ MILLIONS)

Object Class	FY 1986 Budget	FY 1987 Budget	Change from 86-87	Pct. Change	FY '83-86 Avg.Ann. Pct.Chg.
11: Regular Pay--CFT	834.3	901.2	66.9	8.0%	7.5%
12: Other Regular Pay	48.1	57.2	9.1	18.8%	8.0%
13: Addtl Gross Pay	24.4	27.7	3.3	13.6%	16.4%
14: Fringe Benefits	75.7	82.3	6.6	8.7%	8.0%
Subtotal, Pers. Svcs.	982.5	1,068.4	85.9	8.7%	7.2%
20: Supplies	37.2	40.9	3.8	10.3%	8.5%
30: Energy/Rent/Phones	78.6	79.8	1.3	1.7%	1.0%
40: Othr Svcs/Chrg	154.3	180.4	26.1	16.9%	18.3%
50: Subs & Transf	791.5	816.1	24.6	3.1%	9.2%
60: Land	1.1	1.1	0.0	0.0%	--
70: Equipment	34.8	37.7	2.9	8.4%	8.6%
80: Debt Service	207.4	217.2	9.8	4.7%	9.0%
Subtotal, Nonper.Svcs.	1,305.0	1,373.2	68.5	5.2%	9.2%
GRAND TOTAL	2,287.5	2,441.6	154.1	6.7%	8.3%

The FY 1987 budget of $2,441,613,000 is $154,097,000, or 6.7 percent, higher than the FY 1986 budget of $2,287,516,000. The $2,441,613,000 estimated revenue for FY 1987 is $141,244,000, or 6.2 percent, higher than the current FY 1986 revenue estimates of $2,300,369,000. Although the unexpected strength of the economic recovery permitted a $12,853,000 increase in the FY 1986 collections over the revenue estimates supporting the FY 1986 budget, additional supplemental needs for FY 1986 will probably require all of this additional financing.

Significantly lower inflation rates, a realistic collective bargaining settlement, and slowing growth in major mandated costs (e.g., Medicaid, Police, Fire, Teachers' and Judges' pension contributions and WMATA) all have contributed to this improving picture.

The percentage growth between FY 1986 and FY 1987 as compared to the average growth in the last three years (FY 1983 - FY 1986) is larger in three categories: personnel services, communications costs and supplies.

The $85.9 million increase between FY 1986 and FY 1987 in personal services reflects full funding for both the 4 percent FY 1987 pay adjustment, which is the last year of the wage settlements, within-grade requirements, and the annualized cost of positions approved in the FY 1986 budget for less than 12 months funding. The additional 1.5 percent pay increase for firefighters, effective in April 1987, is also funded. The balance of the increase is related to new positions. Funding for increased staff to relieve prison overcrowding accounts for the major increase in position funding. Funding is also requested for positions to implement the provisions of recently enacted legislation such as the Civil Infractions Act, the Procurement Act of 1985, the Rental Housing Act of 1985, and the Health Occupations Revision Act.

The $1.3 million increase in energy/rent and communications from FY 1986 to FY 1987 is due mainly to the projected inflationary increase in telephone costs. The exchange rate, the charge for intra-system phone service increased by 34.3 percent in January 1986, and affected the District and all other Centrex users immediately. The intercommunication rates, the charge for local service also increased 31.5 percent in January 1986, but will not impact the District until its three-year Centrex contract expires in July 1986, at which time the District will select a telecommunications system. Based on the expiration of the Centrex contract in FY 1986, a 10 percent increase is requested in the FY 1987 budget. Other increased communications costs include program upgrades and installation of new telephone systems.

The $4 million increase in supplies is mainly due to the purchase of a uniform inventory for the Police Department, uniforms for the maintenance and sanitation workers as required by union contracts, computer supplies, custodial supplies, and recreational supplies for the playgrounds. Supply costs related to new positions are also requested.

THE FISCAL YEAR 1987 OPERATING BUDGET

The following summaries of increases, adjustments, and proposed spending levels are organized by appropriation title and agency and constitute the FY 1987 Operating Budget. More detailed information on the individual agency requests can be found in Volumes I, II, and III of the Supporting Schedules to the FY 1987 Operating Budget.

Table IV-2
GOVERNMENTAL DIRECTION AND SUPPORT: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	93,367	102,547	111,897
District Funds	90,773	99,342	108,353
Federal Funds	21	--	--
Other Funds	2,573	3,205	3,544
OPERATING BUDGET DETAIL BY AGENCY:			
Council of the District of Columbia:	5,819	6,337	7,055
District funds	5,819	6,335	7,055
Other	--	2	--
District of Columbia Auditor:	464	661	689
District funds	464	661	689
Advisory Neighborhood Commissions:	1,041	1,072	1,072
District funds	1,041	1,072	1,072
Office of the Mayor:	1,262	1,728	2,005
District funds	1,262	1,728	2,005
Office of the Secretary:	2,362	2,454	2,510
District funds	2,240	2,375	2,431
Federal grants	6	--	--
Other funds	116	79	79
Office of Inspector General:	987	895	1,293
District funds	972	895	1,293
Federal grants	15	--	--
Office of the Press Secretary:	327	401	471
District funds	327	401	471
Office of Intergovernmental Relations:	485	524	671
District funds	485	524	671
Office of the City Administrator/Deputy Mayor:	913	1,097	1,151
District funds	913	1,097	1,151
Office of Personnel:	12,806	13,602	14,620
District funds	12,782	13,566	14,584
Other funds	24	36	36
Department of Administrative Services:	23,988	27,219	30,391
District funds	23,877	27,099	30,264
Other funds	111	120	127
Office of the Deputy Mayor for Finance:	131	200	210
District funds	131	200	210

Table IV-2
GOVERNMENTAL DIRECTION AND SUPPORT: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
Office of the Budget:	1,680	1,712	1,954
District funds	1,680	1,712	1,954
Office of Financial Management:	15,746	17,088	17,638
District funds	15,693	17,016	17,524
Other funds	53	72	114
Department of Finance and Revenue:	18,146	19,105	21,078
District funds	18,081	19,034	21,007
Other funds	65	71	71
Board of Elections and Ethics:	2,929	2,164	2,385
District funds	2,929	2,164	2,385
Office of Campaign Finance:	--	992	1,032
District funds	--	992	1,032
Public Employee Relations Board:	216	247	253
District funds...............	216	247	253
Office of Employee Appeals:	815	1,053	1,112
District funds	815	1,053	1,112
D. C. Retirement Board:	2,871	3,480	3,772
District funds	667	700	700
Other funds..................	2,204	2,780	3,072
Metropolitan Washington Council of Governments:	298	316	335
District funds	298	316	335
Admission to Statehood:	41	100	100
District funds	41	100	100
Baseball Commission:	40	100	100
District funds	40	55	55
Other funds	--	45	45

COUNCIL OF THE DISTRICT OF COLUMBIA

The Council of the District of Columbia is the legislative branch of the District of Columbia government. The Chairman and 12 Councilmembers have broad responsibilities for enacting laws and providing oversight for District of Columbia agencies and programs. The Council's responsibilities and functions encompass those of city, county, and state legislative branches.

The Council exercises its legislative responsibilities through 11 standing committees. Proposed legislation is referred to an appropriate committee where all data collection, hearings, analyses, and other related activities are conducted.

The work of the 11 committees is supported by a Secretary to the Council, General Counsel, and the Intergovernmental Liaison Officer, as well as personal and committee staff to each of the legislators.

Increased funding is requested in FY 1987 to fund 13 additional staff positions. This will provide an additional Research Specialist for each of the 12 council members and the chairman to provide the much needed analytical and research capability necessary to review, recommend, and draft responses to laws affecting the citizens of the District. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade increases, and severance and terminal leave payments that will result from the November 1986 election.

Funds from nonrecurring equipment purchases and rental are being redirected to Other Services & Charges for postage, printing, time-sharing, data-base storage, microfilm processing, maintenance and repair of equipment, updating the D.C. Code, employee training, membership dues, and delivery charges.

As shown in the following budget summary, the FY 1987 appropriated request for the Council of the District of Columbia is $7,055,000 and 165 positions, an increase over FY 1986 of $720,000 and 13 continuing full-time positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	139	5,819	152	6,335	165	7,055
Federal	0	0	0	0	0	0
Other	0	0	0	2	0	0
Total Expenditures	139	5,819	152	6,337	165	7,055

PROGRAM MEASURES	COUNCIL PERIOD 4	COUNCIL PERIOD 5	COUNCIL PERIOD 6**
(1) Bills introduced...............	534	487	332
(2) D.C. Laws (enacted)............	210	123	63
(3) Legislative meetings...........	50	48	21

** First Session

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

The Office of the District of Columbia Auditor, established by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, monitors, assesses, and reports on District of Columbia government operations so as to promote economy and efficiency in the government. The District of Columbia Auditor is also responsible for certifying the revenue assumptions underlying budgetary and financial actions.

The FY 1987 appropriated budget request maintains the current level of services. Increased funding is requested for the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary cost of telephones.

As shown in the following budget summary, the FY 1987 appropriated budget request for the District of Columbia Auditor is $689,000 and 18 positions, an increase over 1986 of $28,000 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	15	464	18	661	18	689
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	15	464	18	661	18	689

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Statutory audits completed	5	7	7
(2) Financial audits/reviews completed	10	20	20
(3) Program/operational audits completed	25	30	30

ADVISORY NEIGHBORHOOD COMMISSIONS

The Advisory Neighborhood Commissions (ANCs) were established in accordance with the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, and given the responsibility for advising the District government on matters of public policy in areas such as planning, transportation, optional social service programs, health, safety and sanitation, especially as they relate to their respective neighborhood commission areas. In discharging this responsibility, the 37 chartered ANCs, which are made up of 323 single-member districts, serve as a liaison between the District government and the community.

The FY 1987 appropriated budget request reflects the funding requirements of the Advisory Neighborhood Commission Threshold Act of 1983, D.C. Law 5-26, effective September 1983, which provided for not less than the FY 1981 funding level to be appropriated in each year.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Advisory Neighborhood Commissions is $1,072,000, the same level as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	1,041	0	1,072	0	1,072
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	1,041	0	1,072	0	1,072

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Advisory neighborhood commissions.....................	37	37	37
(2) Single-member districts.........	323	323	323
(3) Advisory neighborhood commissioners.....................	323	323	323

OFFICE OF THE MAYOR

The Mayor, as chief executive officer of the District of Columbia government, has overall responsibility for the implementation of programs and the administration of District agencies.

As the District's chief elected official, the Mayor is responsible for providing leadership, exercising management control over executive agencies, supervising labor relations, ensuring the integrity of District financial affairs and proposing, reviewing and approving or vetoing all legislation enacted by the Council of the District of Columbia.

The recruitment and appointment of a talented cadre of board and commission members, key advisors, and managers is also one of the Mayor's most important functions. As the elected leader of the nation's capital, the Mayor interacts with state, nat~~ional,~~ and international representatives of both government and business.

The FY 1987 appropriated budget for the Office of the Mayor includes funding for six support positions. Four of these positions are administrative support positions, including two positions for the immediate Office of the Mayor to assist in scheduling and correspondence, one position for the Labor Liaison Office, and one position in support of the Office of Boards and Commissions. The other two positions are for the Office of Community Services to improve the technical assistance and coordination of interagency issues with the Advisory Neighborhood Commissions. These six positions, previously funded by intra-District revenues, are necessary to maintain the continuity of the operation of the Mayor's Office.

The Office of Policy and Program Evaluation, established by Mayor's Order 93-22, is responsible for preparing Indices, an annual statistical report which was produced for the first time in FY 1985 and provided the government with its first publication of a comprehensive statistical document. Due to the demand for the Indices, additional funding is requested for printing costs.

Other increases requested include funding for the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Mayor is $2,005,000 and 39 positions, an increase over FY 1986 of $277,000 and six positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	25	1,262	33	1,728	39	2,005
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	25	1,262	33	1,728	39	2,005

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Advisory body appointments........	750	760	770
(2) Policy analyses, and legislative reviews conducted and compiled by OPPE..........................	135	145	205
(3) Scheduling requests received......	5,500	6,000	6,500

OFFICE OF THE SECRETARY

The Office of the Secretary, established by Commissioner's Order 67-23, December 13, 1967, serves as the administrative and logistical staff support to the Mayor and the immediate executive offices of the Mayor, providing a full complement of support services. In addition, the Secretary of the District of Columbia is responsible for coordinating all ceremonial functions of the Mayor. In discharging these responsibilities, the Office of the Secretary consists of two main units, the Secretariat and the Office of Documents.

The FY 1987 appropriated budget provides funding for the final drawings of the Recorder of Deeds Building to house the staff of the Archival and Records Management Unit within the Office of the Secretary. The facility will provide the type of space needed to manage an efficient cost-saving archives administration. This unit provides a comprehensive program for the management of District historical and government records which did not exist prior to FY 1985.

Funding is also requested in the FY 1987 budget for the 4 percent FY 1987 pay adjustment and within-grade requirements. Three positions assigned to the telephone unit and appropriate funding have been transferred-out to the Office of Emergency Preparedness for the Citizens Information and Referral System.

In addition to the appropriated funding, the Office of the Secretary will receive fees from the sale of publications.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Secretary is $2,431,000 and 34 positions, an increase of $56,000 over FY 1986 and a decrease of three positions. The nonappropriated funding in FY 1987 is $79,000 and two positions, the same level of funding as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	37	2,240	37	2,375	34	2,431
Federal	0	6	0	0	0	0
Other	2	116	2	79	2	79
Total Expenditures	39	2,362	39	2,454	36	2,510

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Correspondence received.........	37,000	37,000	37,000
(2) D.C. Statutes-at-Large published......................	1,000	500	500
(3) D.C. Register weekly circulation.....................	1,400	1,500	1,600

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General, under the authority of Section 449(d) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, and Mayor's Order 79-224, is responsible for the prevention and detection of fraud, abuse, waste, and mismanagement in the programs and operations of the District of Columbia government. Audits are performed as required by legislation or regulation, in areas of greatest need, and in those most vulnerable to fraud, abuse and waste.

The FY 1987 appropriated budget request provides increased funding and positions to implement the new District of Columbia Procurement Practices Act of 1985. Other increases include funding for five positions formerly funded through intra-District revenues and federal grants which will no longer be available in FY 1987. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, and training.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Inspector General is $1,293,000 and 27 positions, an increase of $398,000 and 11 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	16	972	16	895	27	1,293
Federal	1	15	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	17	987	16	895	27	1,293

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Audits and Investigations.......	52	55	65

OFFICE OF THE PRESS SECRETARY

The Office of the Press Secretary, formerly the Office of Communications, was renamed pursuant to Mayor's Order 83-06, dated January 3, 1983. The office serves as the central agency of the executive branch responsible for coordinating and disseminating official news and media-related announcements.

The dissemination of information to the public is done through news releases; interviews and press conferences; radio and television public service announcements; brochures, posters, pamphlets, and the monthly circulation of The City Hall New Times. The office also coordinates the appearance of District government officials on television and radio talk shows.

The FY 1987 appropriated budget request includes funding for two additional positions. A Public Information Officer position is requested to improve the coordination of information activities among District agencies, and a secretary position is requested to support the staff position.

Other increases requested provide funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, supplies, and equipment for the new positions, and the monthly publication costs of The City Hall New Times, the District government's monthly newspaper in tabloid format.

As shown below, the FY 1987 appropriated budget for the Office of the Press Secretary is $471,000 and 11 positions, an increase of $70,000 and two positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	9	327	9	401	11	471
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	9	327	9	401	11	471

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) News media and citizens inquiries and assistance........	3,600	3,600	3,600
(2) News releases....................	375	375	400
(3) Placement of radio and TV public service announcements.............	225	225	225

OFFICE OF INTERGOVERNMENTAL RELATIONS

The Office of Intergovernmental Relations, established January 2, 1979, pursuant to Mayor's Order No 79-10, assists the Mayor in the performance of legislative and intergovernmental liaison functions. Among the office's duties and responsibilities are the development of the Mayor's legislative programs, the drafting of bills, and the preparation of resolutions.

The office also represents the Mayor in dealings with the Council of the District of Columbia, the Congress, the White House, federal agencies and regional governmental bodies regarding the District government's policies and positions on pending legislation and regulatory program issues. The office also acts as a liaison for the District and the Mayor to national organizations such as the National League of Cities, the U.S. Conference of Mayors, and the National Conference of Black Mayors. In addition, the office serves as a liaison to the Statehood Compact Commission and functions as the state clearinghouse for federal grants.

The FY 1987 appropriated budget provides funding for three additional staff support positions to initiate research, and develop automated legislative tracking systems to enhance and expedite the District's legislative items in the Council, the Congress and the Washington Metropolitan area. These increases will enable the office to manage the executive's legislative program in a more timely and comprehensive manner.

Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, supplies, equipment, and communications costs for the new positions.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Intergovernmental Relations is $671,000 and 13 positions, an increase over FY 1986 of $147,000 and three positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	10	485	10	524	13	671
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	10	485	10	524	13	671

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Legislation submitted to Council..	500	500	500
(2) Agency applications for federal grants..........................	300	400	400
(3) Meetings with regional governmental boards.....................	30	50	50

OFFICE OF THE CITY ADMINISTRATOR/DEPUTY MAYOR FOR OPERATIONS

The City Administrator/Deputy Mayor for Operations is the chief administrative officer in the executive branch and is responsible for overseeing the operations and programs of the major operating departments. These include the Metropolitan Police Department, the Fire Department, the Department of Corrections, the Department of Human Services, the Department of Administrative Services, the Department of Recreation, the Department of Consumer and Regulatory Affairs, and the Department of Public Works. The City Administrator/Deputy Mayor for Operations is also the primary official designated to exercise the powers and duties of the Mayor during the Mayor's absence.

The Office of the City Administrator/Deputy Mayor for Operations includes a Productivity Management Services Unit, an Administrative Services Unit, and an Office of Community Based Residential Facilities (CBRF). The FY 1987 appropriated budget request will enable the office to maintain its current level of services. Funding is provided for the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 budget request for the Office of the City Administrator/Deputy Mayor for Operations is $1,151,000 and 28 positions, an increase over FY 1986 of $54,000 and no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	24	913	28	1,097	28	1,151
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	24	913	28	1,097	28	1,151

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Telephone inquiries for CBRF.....	150	300	300
(2) Technical coordination meetings for potential operators..........	60	60	60
(3) Consultations provided to existing and prospective CBRF operators....	45	70	70

OFFICE OF PERSONNEL

The Office of Personnel is responsible for supervising all aspects of the District's personnel management program. The office discharges this responsibility through the Personnel Office, the Office of Labor Relations and Collective Bargaining, and the Police and Firefighters Retirement and Relief Board.

The Office of Personnel is responsible for position classification, employee relations, recruitment, employment, policy formulation, personnel-related legislation development, employee pay and benefits, employee development and training, unemployment compensation monitoring, incentive awards, and employee performance evaluations for all District executive agencies.

The Office of Labor Relations and Collective Bargaining provides service to all departments and agencies under the administrative jurisdiction of the Mayor. In addition, this office works closely with representatives of independent agencies to ensure the development of a centralized labor-relations policy.

The Police and Firefighters Retirement and Relief Board provides a centralized program for the consideration and approval of retirement and relief eligibility of protective service personnel of the Metropolitan Police Department, Fire Department, the U.S. Park Police and the U.S. Secret Service.

To provide a comprehensive personnel program, the FY 1987 appropriated budget request includes funds to establish a Latino Recruitment Program and to enhance automated payroll/personnel systems. The Latino Recruitment Program will increase Hispanic employment in the District government and the automated payroll personnel system will computerize approximately 70 percent of the manual personnel records now used by the Office of Personnel.

Funding is also requested for four positions in the Office of Labor Relations and Collective Bargaining previously funded through intra-District sales. The increase to replace intra-District revenue will maintain existing staff and funding levels and will provide for maintenance of the data processing system used for analysis and costing of compensation and working condition proposals.

Other increases include funding for the 4 percent FY 1987 pay adjustment and within-grade requirements.

Nonappropriated funding is received from the U.S. Park Police and the U.S. Secret Service for services rendered by the Police and Firefighters' Retirement and Relief Board.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Personnel is $14,584,000 and 384 positions, an increase over FY 1986 of $1,018,000 and 10 positions. The nonappropriated funding in FY 1987 is $36,000, the same level as in FY 1986.

FY 1987 BUDGET REQUEST

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	374	12,782	374	13,566	384	14,584
Federal	0	0	0	0	0	0
Other	0	24	0	36	0	36
Total Expenditures	374	12,806	374	13,602	384	14,620

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Personnel actions processed......	21,267	22,600	24,100
(2) Contracts renewed and newly negotiated (cases)...............	38	5	44
(3) Retirement applications considered........................	150	155	160

DEPARTMENT OF ADMINISTRATIVE SERVICES

The Department of Administrative Services, established by Reorganization Plan No. 5 of 1983, is responsible for providing support services to District operating agencies. The department develops rules and procedures for acquiring goods and services, land and buildings, supplies, furniture, and equipment for the District government; develops standards for the storage and distribution of goods and the distribution of federal surplus property to nonprofit organizations; develops standards and rules for information resource management; coordinates District-wide plans for managing information, reviews proposed acquisitions of computer hardware, software, and services, and provides District-wide direction and training for the dissemination of technological information.

The services provided to other agencies include contracting and procurement, disposal of surplus District property, space planning and property leasing. The department is responsible for buildings management and cleaning, protective service, printing and copying, and telephone operations and telecommunications planning. The department also prepares forecasts and processes bill payments for utilities and petroleum, and manages an energy conservation program.

The requested FY 1987 appropriated budget will enable the Department of Administrative Services to continue the management initiatives begun in FY 1986. It will also provide increased funding and positions to implement the District of Columbia Automated Data Processing Act of 1984, and the District of Columbia Procurement Practices Act of 1985. The training of District residents to become telephone technicians is also included in this request.

Funding is also provided to establish the Office of Government Innovation and Technology to focus on training and the dissemination of information concerning computer printing and other technology.

Other increases will provide adequate protective services at the new Frank D. Reeves Municipal Center as well as other District owned or occupied facilities, and extends the District shuttle bus service to include the Frank D. Reeves Municipal Center. Increased funding is also requested for improved management of janitorial services and supervisory personnel to provide supervision and training to "Step II" employees. The Step II program is a rehabilitation program sponsored by the Department of Employment Services, in which successfully trained Step II employees are given the opportunity for full-time employment.

Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, annualization of positions approved in the FY 1986 budget, management training and increased costs for telephone services and communications.

The FY 1987 nonappropriated budget request represents an increase in funding for the educational surplus property program, which manages the District's surplus personal property, acting as the state agency. The program acquires, stores and distributes federal and District surplus property for reuse by District agencies and disposes of surplus and scrap property having residual value.

As shown in the following budget summary, the FY 1987 appropriated budget for the Department of Administrative Services is $30,264,000 and 493 positions, an increase of $3,165,000 and 85 positions over FY 1986. The nonappropriated funding is $127,000 and three positions, an increase of $7,000 above FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	347	23,877	408	27,099	493	30,264
Federal	0	0	0	0	0	0
Other	3	111	3	120	3	127
Total Expenditures	350	23,988	411	27,219	496	30,391

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Supplies and service contracts....	446	440	450
(2) Number of leased facilities.......	88	84	83
(3) Square feet of space cleaned (thousands)...............	4,969	4,969	4,969

DEPUTY MAYOR FOR FINANCE

The Office of the Deputy Mayor for Finance, established by Mayor's Order 83-19, January 3, 1983, oversees the financial management and budgetary functions of the District government and serves as the government's official spokesperson on all financial matters. A primary mission of the Deputy Mayor for Finance is to maintain a coordinated financial management system to budget, collect, provide expenditure control and properly account for about $2.5 billion annually. In carrying out its mission, the Deputy Mayor for Finance administers and supervises the Office of the Budget, Office of the D.C. Controller, Office of Financial Information Services, and the Department of Finance and Revenue.

The FY 1987 appropriated budget request maintains the current level of services to enable the Office of the Deputy Mayor for Finance to continue the improvement of the overall financial operations of the District of Columbia government and provide effective control over the expenditure of funds. Increased funding is requested for the 4 percent FY 1987 pay adjustment and within-grade requirements for eligible employees.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Deputy Mayor for Finance is $210,000 and 5 positions, an increase of $10,000 over the FY 1986 budget with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	5	131	5	200	5	210
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	5	131	5	200	5	210

OFFICE OF THE BUDGET

The Office of the Budget, established pursuant to Mayor's Order 83-19, dated January 3, 1983, performs four broad functions. First, with the assistance of agency heads and heads of other branches of government, it prepares the annual budget request, supplemental budgets and budget amendments for the Government of the District of Columbia. Second, it manages the budget appropriation process, represents and justifies budget requests before the Council of the District of Columbia, the U.S. Office of Management and Budget, and the Congress of the United States. Third, it supervises the execution of the approved annual budget in addition to supplemental budgets and budget amendments. Fourth, it prepares short- and long-range expenditure projections, including estimates of the future fiscal implications of both present and proposed budget policies. This four-part mission encompasses all expenditure programs, both appropriated and nonappropriated, of both the District's operating and capital budgets.

The FY 1987 appropriated budget request maintains the current level of services. Increased funding is requested for two unfunded budget analyst positions, the 4 percent FY 1987 pay adjustment, within-grade requirements and the inflationary cost of communications and printing. The Office of the Budget is responsible for printing all budget documents, including the many volumes of the annual budget, the supplemental budget and budget amendments.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Budget is $1,954,000 and 51 positions, an increase over FY 1986 of $242,000 and no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	49	1,680	51	1,712	51	1,954
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	49	1,680	51	1,712	51	1,954

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Budget editions produced..........	7	7	7
(2) Financial reports prepared and analyzed..........................	500	550	650
(3) Staff attendance at Council and Congressional hearings & mark-ups	100	110	125

OFFICE OF FINANCIAL MANAGEMENT

The Office of Financial Management (OFM), established by Mayor's Order 79-6, dated January 2, 1979, is responsible for operating the central accounting office; operating, maintaining and improving the financial management system; administering the centralized pay and retirement system; operating the District-wide computer center; administering the treasury management program; developing, implementing and monitoring accounting policies and systems applicable to District agencies; preparing the District's Comprehensive Annual Financial Report and other periodic and special reports; and coordinating the audits of all federally assisted programs.

FY 1987 BUDGET REQUEST

The FY 1987 appropriated budget request will enable the agency to continue to undertake improvements and modifications to the Financial Management System mandated by Public Law 94-399. The improvements include continued development of the Unified Personnel Payroll System (UPPS) which was first funded in FY 1986.

The UPPS will provide for automation of several personnel forms, the use of automated edits, automated production and tracking of personnel actions, and automated production of personnel reports. Improved economy and efficiency of operations will accrue from the UPPS system.

Other increases requested in the FY 1987 budget include funding for the audit cost for St. Elizabeths Hospital mandated by P.L. 98-621 for FY 1987, the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary increase in communications. One-time expenditures for the purchase of the mainframe computer and the UPPS hardware have been removed from the base.

The Office of Financial Management will also receive nonappropriated funds in FY 1987 of $114,000. This includes $60,000 from charges for dishonored checks, $53,000 from data processing services to outside organizations and $1,000 from miscellaneous sources.

As shown in the following budget summary, the FY 1987 budget for the Office of Financial Management is $17,524,000 and 293 positions, an increase above FY 1986 of $508,000 with no changes in positions. The nonappropriated funding is $114,000, an increase of $42,000 over FY 1986 due to additional data processing services provided to other agencies.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	293	15,693	293	17,016	293	17,524
Federal	0	0	0	0	0	0
Other	0	53	0	72	0	114
Total Expenditures	293	15,746	293	17,088	293	17,638

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Employees checks issued per year......................	1,066,000	1,044,000	1,020,000
(2) Vendor checks issued..........	193,000	187,000	170,000
(3) FMS transactions per month....	180,000	220,000	240,000

DEPARTMENT OF FINANCE AND REVENUE

The Department of Finance and Revenue, operating under the authority granted in Commissioner's Order No, 69-117, is responsible for administering and enforcing the District's tax laws; conducting research on revenue and alternative tax systems; advising the Mayor and the District Council on tax policy, programs, and revenues; recording deeds and other written instruments affecting a right, title, or interest in real or personal property in the District of Columbia; and providing assistance and information to taxpayers and citizens.

The FY 1987 appropriated budget request provides increased funding and positions to enhance the revenue-generating capacity of the department. Significant among the proposals are the acquisition of an automated collection system and the development of a criminal prosecution task force. Included is funding for additional auditors, revenues officers, unclaimed property technicians, and business tax registration clerks. It is anticipated that these efforts will yield approximately $6,735,000 of new revenue. Also funded are additional assessor positions to augment the ongoing effort to protect the real property tax base. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, equipment maintenance, and the cost of supplies, advertising, printing, postage, and equipment in support of new programs.

The FY 1987 nonappropriated budget reflects items such as collection costs associated with seizures for unpaid taxes, charges for defective checks, and reimbursement by title companies for use of copying facilities.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Department of Finance and Revenue is $21,007,000 and 570 positions, an increase from FY 1986 of $1,973,000 and 11 positions. The FY 1987 private and other funds budget is $71,000, the same level of funding as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	553	18,081	559	19,034	570	21,007
Federal	0	0	0	0	0	0
Other	0	65	0	71	0	71
Total Expenditures	553	18,146	559	19,105	570	21,078

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Real property assessments........	164,000	165,000	165,000
(2) Tax audits......................	13,688	13,774	14,194
(3) Delinquent cases closed..........	165,151	132,568	148,580

BOARD OF ELECTIONS AND ETHICS

The Board of Elections and Ethics is responsible for the administration and enforcement of the election laws of the District of Columbia. The statutory authority for the agency and its operations is contained in the D.C. Code, Sec. 1-1435.

The primary functions of the agency are to maintain an accurate voter registry for the District; to provide sufficient voter information to ensure that all eligible voters of the District can be properly registered; to educate District residents on the District's election process and on how to vote; to provide and administer a voting system which properly records and counts votes; and to administer elections.

The Board is continuing its forward progress, having successfully completed its first voter residency canvass and another trouble-free election. The FY 1987 appropriated budget will allow this positive trend to continue. The funding requested will permit implementation of a program to improve the accessibility of polling places for the elderly and handicapped voters in the District, and will finance the two scheduled elections in FY 1987, namely, the Mayoral/Council General election in November 1986 and the Statehood (Senators and Representatives) Primary election in September 1987.

Funds are also requested for a Public Information/Media Specialist to serve as the focal point of the Board's information and outreach programs. Other increases include the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 budget request for the Board of Elections and Ethics is $2,385,000 and 34 positions, an increase of $221,000 and one position over the FY 1986 budget.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	44	2,929	33	2,164	34	2,385
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	44	2,929	33	2,164	34	2,385

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Programmed elections.............	1	2	2
(2) Ballots Cast......................	219,000	190,000	180,000
(3) Registered Voters.................	262,000	270,000	275,000

OFFICE OF CAMPAIGN FINANCE

The Office of Campaign Finance, established pursuant to the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, is responsible for administering and enforcing District laws pertaining to campaigns for elected officials, and conflict of interest and financial disclosure by public officials.

The FY 1987 appropriated budget request maintains the current level of services. Increased funding is requested for the 4 percent FY 1987 pay adjustment, within-grade requirements, and annualization of positions funded for nine months in the FY 1986 budget.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Campaign Finance is $1,032,000 and 14 authorized positions, an increase of $40,000 over FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	0	14	992	14	1,032
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	0	14	992	14	1,032

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Registered candidates and committees	0	2,053	3,500
(2) Financial statements and reports processed..................	0	6,000	6,500
(3) Desks and field audits............	0	11,123	15,500

PUBLIC EMPLOYEE RELATIONS BOARD

The Public Employee Relations Board, established by the District of Columbia Comprehensive Merit Personnel Act of 1978, D.C. Law 2-139, is responsible for the impartial resolution of labor-management disputes in the District government. Among the board's functions are determining appropriate bargaining representatives, deciding unfair labor practice charges, determining if an impasse exists, considering appeals of arbitration, and determining if negotiation items are statutorily legal subjects for bargaining.

FY 1987 BUDGET REQUEST

Increased funding is requested to maintain the current level of services. Funding is provided for the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Public Employee Relations Board is $253,000 and four positions, an increase over FY 1986 of $6,000, with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	4	216	4	247	4	253
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	4	216	4	247	4	253

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Arbitration appeal cases..........	7	11	11
(2) Representation cases..............	11	15	12
(3) Unfair labor practices............	31	26	30

OFFICE OF EMPLOYEE APPEALS

The Office of Employee Appeals, established by the District of Columbia Comprehensive Merit Personnel Act of 1978, D.C. Law 2-139, is responsible for hearing any employee appeal of a final agency decision affecting a performance rating, an adverse action, a reduction-in-force, the resolution of a grievance, an erroneous employee payment, a privacy and records management decision, or the classification of a position. Appeals may be heard by a three-member panel constituting a quorum. An appeal from a decision of the panel may be taken at the option of the adversely affected party either to the full five-member board or to the Superior Court of the District of Columbia.

The FY 1987 appropriated budget request provides funding for the maintenance contract for the automated records management system and protective services for building security. Funds are also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements and additional telephone equipment and telephone line access to FMS.

As shown in the following budget summary, the FY 1987 budget request for the Office of Employee Appeals is $1,112,000 and 24 positions, an increase of $59,000 over FY 1986 with no change in positions.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	18	815	24	1,053	24	1,112
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	18	815	24	1,053	24	1,112

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Cases filed......................	150	155	155
(2) Cases decided.....................	190	216	250
(3) Cases remaining...................	333	272	177

DISTRICT OF COLUMBIA RETIREMENT BOARD

The District of Columbia Retirement Reform Act, Public Law 96-122, established the District of Columbia Retirement Board as an eleven-member independent agency of the District government. The board controls and manages the retirement funds for police officers, firefighters, judges and teachers. It also certifies the contributions required of the District and federal governments and of employees covered by the Retirement Reform Act. The board further serves on behalf of such employees as the fiduciary agency in all financial and investment activities.

The total administrative expenses of the Board for FY 1987 are $3,772,000. They include $2,200,000 in investment advisor fees which are investment fees paid to outside independent managers for investing and managing retirement funds. In most jurisdictions these fees are paid from the investment earnings of the retirement funds and are not paid by the state or local government. The District, like other jurisdictions, should not pay for these costs. In the past, the total administrative expenses, including the investment advisor fees, have been a shared cost between the General Fund and the investment earnings based on a ratio that has ranged from 25/75 to its current level of 20/80 (20% General Fund/80% investment fees).

Applying the currently used ratio of 20/80 to the total $3,772,000 requested by the Board, the amount that the General Fund would have to pay is $754,000 with $2,018,000 to be paid from the investment earnings. The FY 1987 budget recommendation is $700,000, the same as in FY 1986. This amount will not be increased until total expenditures increase so that the $700,000 represents a 20/80 split of the net administrative cost to the total administrative cost. The net administrative costs are less the investment advisor fees.

FY 1987 BUDGET REQUEST

As shown in the following budget summary, the FY 1987 appropriated budget for the District of Columbia Retirement Board is $700,000, the same level of funding as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	7	667	7	700	7	700
Federal	0	0	0	0	0	0
Other	0	2,204	0	2,780	0	3,072
Total Expenditures	7	2,871	7	3,480	7	3,772

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Total service retirements on rolls - all funds................	2,613	2,629	2,658
(2) Total disability retirements on rolls - all funds................	613	618	623
(3) Total survivors on rolls - all funds........................	278	294	310

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

The Metropolitan Washington Council of Governments is the cooperative association of the 16 major cities and counties in the metropolitan area. The council is officially designated as the regional planning agency for the Washington metropolitan area. The council's activities are supervised by a board of directors composed of its member governments.

The Washington EAR, Incorporated, is also funded through the Metropolitan Washington Council of Governments. It operates a radio reading service for 2,000 blind and handicapped persons in the Washington area, including 560 blind and handicapped District residents, and provides daily services for over 110 hours each week. Fifteen political jurisdictions in the metropolitan area contribute to the operation of the Washington EAR.

The District's payment is based on a per capita formula. That per capita formula requires a five percent increase in FY 1987 for the District of Columbia, a portion of which will be earmarked for the Washington EAR.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Metropolitan Washington Council of Governments is $335,000, an increase over FY 1986 of $19,000.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	298	0	316	0	335
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	298	0	316	0	335

ADMISSION TO STATEHOOD

Since the enactment of the D.C. Statehood Constitutional Convention Initiative of 1979, D.C. Law 3-171, the District has taken several steps toward admission to statehood. Delegates to a D.C. Constitutional Convention were elected in November 1981 to serve two- or three-year terms of office. The convention drafted a constitution which was approved by a majority of authorized D.C. voters in November 1982. The convention exercised its authority pursuant to the legislation in appointing a Statehood Commission and a Statehood Compact Commission to assist in carrying out requirements of the Statehood Initiative legislation. Funding is included in the FY 1987 budget to continue the operation of these two commissions at $50,000 each.

The final phase of admission to statehood involves the election of two senators and one representative. In February 1985 the Council enacted D.C. Law 6-11, setting the primary and general election for these offices as September and November 1987 respectively. Therefore, the salaries, staff and support costs for two senators and a representative will be proposed in FY 1988, the fiscal year in which these official are to take office.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Admission to Statehood is $100,000, the same funding level as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	41	0	100	0	100
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	41	0	100	0	100

D.C. COMMISSION ON BASEBALL

The District of Columbia Commission on Baseball, established pursuant to D.C. Law 5-112, dated September 26, 1984, is responsible for assisting and advising the Council and the Mayor regarding the establishment of a professional baseball team in the District to enhance tourism, business development, job opportunities, entertainment and revenues. The commission, consisting of nine members, is to submit a final comprehensive report to the Council summarizing the activities and findings of the commission and providing specific recommendations as to the establishment of a professional baseball team, nc later than three years after the effective date of the law.

In attracting and establishing a major league baseball franchise in the District, the duties and responsibilities of the commission include (1) conducting a market analysis to both study the demographics of the District and surrounding jurisdictions and to determine the process, feasibility and viability of having a franchise; (2) analyzing all costs including franchise purchase, stadium rental and operating expenditures; (3) identifying investment capital resources inside and outside of the District; (4) contracting and negotiating with expert baseball resources, such as professional baseball teams and the American and National Baseball Leagues; and (5) developing, monitoring and implementing specific strategies including the assistance from surrounding jurisdictions.

As shown on the following budget summary the FY 1987 appropriated budget request for the Baseball Commission is $55,000, the same level as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	40	0	55	0	55
Federal	0	0	0	0	0	0
Other	0	0	0	45	0	45
Total Expenditures	0	40	0	100	0	100

Table IV-3
ECONOMIC DEVELOPMENT AND REGULATION: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	211,366	253,198	277,754
District Funds	79,692	100,035	129,460
Federal Funds	104,215	115,306	110,585
Other Funds	27,459	37,857	37,709
OPERATING BUDGET DETAIL BY AGENCY:			
Deputy Mayor for Economic Development:	552	510	710
District funds	302	510	710
Other funds	250	--	--
Office of Planning:	3,363	3,454	3,614
District funds	3,155	3,404	3,564
Other funds	208	50	50
Department of Housing and Community Development	112,323	129,384	145,476
District funds	20,154	22,913	39,939
Federal funds	70,568	75,307	74,691
Other funds	21,601	31,164	30,846
Department of Housing and Community Development Financing Pay-As-You-Go Capital	--	--	2,000
District funds	--	--	2,000
Department of Employment Services:	61,297	69,602	72,969
District funds	25,246	27,995	35,012
Federal grants	31,875	36,786	32,916
Other funds	4,176	4,821	5,041
Office of Business and Economic: Development	1,593	9,313	5,830
District funds	1,535	9,313	5,830
Federal funds	54	--	--
Other funds	4	--	--
Minority Business Opportunity : Commission	392	550	870
District funds	327	507	870
Federal funds	65	43	--
Housing Finance Agency:	1,877	2,295	2,590
District funds	1,683	2,100	2,390
Federal funds	115	120	125
Other funds	79	75	75
Board of Appeals and Review:	69	144	50
District funds	69	144	50
Board of Equalization and Review:	103	112	159
District funds	103	112	159

Table IV-3
ECONOMIC DEVELOPMENT AND REGULATION: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
Office of Consumer and Regulatory: Affairs	26,483	32,666	38,440
District funds	23,902	28,063	34,034
Federal grants	1,476	2,982	2,785
Other funds	1,105	1,621	1,621
Public Service Commission:	2,151	3,139	3,455
District funds	2,053	3,035	3,351
Federal grants	62	68	68
Other funds	36	36	36
Office of People's Counsel:	812	1,095	1,127
District funds	812	1,005	1,087
Other funds	--	90	40
Healing Arts:	351	434	464
District funds	351	434	464
Job Training Initiative:	--	500	--
District funds	--	500	--

DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

The Office of the Deputy Mayor for Economic Development was established by Mayor's Order 83-18, dated January 3, 1983, to develop a comprehensive and cohesive economic development strategy.

This office has the responsibility for management supervision of the Department of Employment Services, the Department of Housing and Community Development, the Minority Business Opportunity Commission, the Office of Business and Economic Development, the Office of Planning, the Office of Cable Television, and the Housing Finance Agency.

The FY 1987 appropriated budget for the Office of the Deputy Mayor for Economic Development will provide resources, to establish a Strategic Planning Unit which will develop strategies to meet the economic goals, objectives, and needs and formulate policy and procedures for the various agencies within the economic development cluster. Five positions and support costs are requested to establish this unit. Other increases are requested for the 4 percent FY 1987 pay adjustments, within-grade requirements, and the inflationary cost of communications.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Deputy Mayor for Economic Development is $710,000 and eight positions, an increase over FY 1986 of $200,000 and five positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	3	302	3	510	8	710
Federal	0	0	0	0	0	0
Other	0	250	0	0	0	0
Total Expenditures	3	552	3	510	8	710

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) New development projects planned and implemented..........	60	75	79
(2) Businesses receiving financial assistance......................	35	44	52
(3) Jobs maintained through business retention efforts................	2,590	3,237	3,298

OFFICE OF PLANNING

The Office of Planning, established in accordance with Section 422, the District of Columbia Self-Government and Governmental Reorganization Act of 1973, Public Law 93-198, is responsible for the preparation of plans for the physical and economic development of the District of Columbia. The office provides project implementation plans, ward plans, small-area studies, zoning analyses, statistical services, support for interagency economic development planning efforts, and initiates, programs and activities to implement the recently enacted Comprehensive Plan.

The FY 1987 appropriated budget request maintains the current level of services. Funds are requested for the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary increase for communications costs.

The FY 1987 nonappropriated budget represents revenue collected for zoning application fees. This revenue will be used for transcription and advertising costs associated with mandated Zoning Commission and Board of Zoning Adjustment public hearings.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Planning is $3,564,000 and 76 positions, an increase of $160,000 over FY 1986 and no change in positions. The appropriated funding is supplemented by $50,000 in other revenue generated by application fees collected by the agency's Zoning Secretariat division for the filing of zoning cases.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	76	3,155	76	3,404	76	3,564
Federal	0	0	0	0	0	0
Other	0	208	0	50	0	50
Total Expenditures	76	3,363	76	3,454	76	3,614

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Economic development projects.....	45	45	30
(2) Cases processed by Zoning Services	225	225	230
(3) Ward plans and maps...............	...	8	8

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The Department of Housing and Community Development (DHCD) was established to implement the District's housing policies and to support its efforts in community development. Published in December 1980, the Housing Policy for the District of Columbia outlines the agency's housing goals as follows: to provide decent and affordable housing; to increase the District's housing stock; to increase homeownership opportunities for low- and moderate-income residents; to develop declining neighborhoods and preserve neighborhood diversity; and to maintain all public housing in good standard living conditions. These goals are achieved by implementing various housing programs.

In FY 1987, DHCD proposes several initiatives and programs to enhance economic development and to improve and maintain existing programs. They are the Tenant Assistance Program (TAP), the Residence Maintenance Program, the Urban Homesteading Program, the Home Purchase Assistance Program, the Rehabilitation Financing Program, the Distressed Properties Improvement Program (DPIP), and the Land Acquisition for Housing Development Opportunities Program (LAHDO). DPIP and TAP are mandated by the District of Columbia Rental Housing Act of 1985.

While the Tenant Assistance Program will provide rental subsidy for low-and moderate-income tenants, the Residence Maintenance Program will promote economic development by using the skills of public housing residents to perform various maintenance activities. Through the Urban Homesteading Program, properties that are in need of rehabilitation or are deemed as a public nuisance that may affect public health, comfort, and safety will be sold or auctioned at a low price to low-and moderate-income residents.

To maintain and enhance existing programs, DHCD requests additional funds for the Home Purchase Assistance Program and the Rehabilitation Financing program. In the past, both have been successful in providing new housing and homeownership opportunities. In addition, funding is requested for support staff to implement the Distressed Properties Improvement Program, the Land Acquisition for Housing Development Opportunities Program, and the Tenant Assistance Program.

The department operates several programs primarily from federal and other revenue. Among them are the federally funded rent subsidy and the Community Development Block Grant programs, which play a vital role in the stabilization and revitalization of District neighborhoods. Rent collections from low-rent housing tenants along with the federal subsidy and District appropriations support the operations of the Low Rent Housing Program.

As shown in the following budget summary, the total FY 1987 appropriated request for the Department of Housing and Community Development is $39,939,000 and 108 positions, an increase of $17,026,000 and 37 positions over FY 1986. The department expects to receive $74,691,000 in federal funds and 940 federally supported positions, and $30,846,000 in other revenue which will support 21 positions in addition to nonpersonnel program costs.

Federal funds reflect a decrease of $616,000 and an increase of 150 positions from FY 1986 while other revenue will decrease by $318,000 and 4 positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	64	20,154	71	22,913	108	39,939
Federal	781	70,568	790	75,307	940	74,691
Other	16	21,601	25	31,164	21	30,846
Total Expenditures	861	112,323	886	129,384	1,069	145,476

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Tenant purchase assistance loans.	571	670	962
(2) Public housing units.............	11,676	11,732	11,797
(3) Tenant assistance program units rented......................	...	700	2,000

Department of Housing and Community Development

Financing Pay-As-You-Go Capital Projects

Funding is requested to finance pay-as-you-go capital projects in order to enable the Department of Housing and Community Development to make minor and major repairs and renovations to public housing facilities. The revenues financing the pay-as-you-go capital projects will be generated by the proposed Tax Amnesty Act. These revenues are a one-time revenue funding source and are nonrecurring; therefore, these projects will be nonrecurring in FY 1988.

As shown in the following budget summary, the FY 1987 appropriated request for the Department of Housing and Community Development for pay-as-you-go capital projects is $2,000,000 and no positions, an increase of $2,000,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	0	0	0	0	2,000
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	2,000

DEPARTMENT OF EMPLOYMENT SERVICES

The Department of Employment Services, established pursuant to Mayor's Order 76-234, dated November 10, 1976, provides opportunities for citizens to prepare for gainful employment, provides income maintenance to mitigate the effects of unemployment, and promotes the working conditions of wage earners by protecting their health and safety. In this role, it operates four major programs; Employment Services, Employability Development, Unemployment Insurance, and Labor Standards.

The commitment to jobs and job training continues in FY 1987 with over $6.5 million in increased funding for employment programs to serve an additional 4,650 persons in the seven job programs operated by the department with appropriated funds.

The Summer Youth Program will provide summer job opportunities to 11,660 youth between the ages of 14 and 21--an increase of 3,130 participants over the FY 1986 level of 8,530. The In-School Program will provide 2,200 high school juniors and seniors with current job market skills--an increase of 1,100 participants over the FY 1986 level of 1,100. The Out-of School Program will provide year-round work experience for 800 youth between the ages of 16 and 24. The Adults-With-Dependents Program will provide on-the-job training for 1,600 economically disadvantaged adults with at least one dependent. The Training/Retraining Program will provide pre-employment training and retraining in occupational skills to 1,900 persons ages 16 and above. The Special Temporary Employment Program (STEP) will provide transitional work experience for 270 ex-offenders, and the Job Training Initiative Program will provide specialized training services to 150 persons.

Other program increases requested in FY 1987 include increased staffing for the Apprenticeship and Training, Occupational Safety and Health, Hearings and Adjudication, and the Latino Employment Center operations. Additional increases include funding for the 4 percent FY 1987 pay adjustment, funding for within-grade increases, an inflationary increase for communications, and funds for the purchase of one vehicle.

The nonappropriated funding will decline in FY 1987 by 11 percent, due to a reduction in federal funds because of the decline in federally funded employment programs. Other revenues, including the Workers' Compensation assessment of insurance carriers and self-insured employers for administration of the private-sector program, as well as the Unemployment Insurance Special Administrative Account, will increase by 4.6 percent over the FY 1986 level.

As shown in the following budget summary, the FY 1987 appropriated request for the Department of Employment Services is $35,012,000 and 203 authorized positions, an increase of $7,017,000 and 20 positions over FY 1986. The federal revenue estimate of $32,916,000 and 516 positions is a reduction of $3,870,000 below FY 1986. The department expects to receive $5,041,000 in other revenue, an increase of $220,000 over the FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	135	25,246	183	27,995	203	35,012
Federal	530	31,875	516	36,786	516	32,916
Other	110	4,176	128	4,821	128	5,041
Total Expenditures	775	61,297	827	69,602	847	72,969

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Federally funded job/training enrollment level..................	11,970	13,000	11,600
(2) District funded job/training enrollment level..................	15,899	14,080	18,580
(3) Number of apprenticeships.........	2,450	2,700	3,000

OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

The Office of Business and Economic Development (OBED), established by D.C. Law 1-95, is responsible for stimulating, creating and attracting new employment opportunities; undertaking industrial development initiatives to provide employment centers; developing commercial projects in neighborhood commercial corridors and in the central business district that can benefit from revitalization efforts; attracting and retaining businesses; promoting tourism and delivering management and technical assistance to small businesses on behalf of the District of Columbia.

The FY 1987 appropriated budget request continues the economic development efforts of the office to attract new businesses and enhance the local economy. Seven staff positions are requested to expand its business expansion and retention activities, carry-out its industrial initiatives and do commercial corridor revitalization.

Funding is requested for the seven positions to enable the office to continue to enhance its business expansion and retention activities, carry out its industrial initiatives, and revitalize commercial corridors. As the office's programs have become better known, there has been an increased demand by small, primarily minority businesses for loans and business-packaging assistance. The marketing efforts of the Revolving Loan Fund program, the Industrial Revenue Bond Program, and the Business Purchase Assistance Program have led to increased demands upon existing staff. The office's greatly expanded involvement with community development corporations and the neighborhood partnership approach to development also has increased its workload significantly. Therefore, these seven new positions will enable the office to continue to perform its mission successfully.

The commercial revitalization efforts will continue in FY 1987 with increased funding to retain architectural, engineering, and market analysis consultants.

As host to 130 foreign embassies and missions, as the home of the World Bank, International Monetary Fund, and World Health Organization, as a principal tourist attraction for visitors from throughout the world, and as the seat of the most powerful democratic country in the world, Washington provides the nation's most attractive potential market for international commerce. In order to convert that potential into jobs, tax revenues and growth for the District and its residents, the Mayor has aggressively sought economic links with countries around the globe. The establishment of the International Business Development Office in FY 1986 enabled these efforts to become a part of the District's permanent economic development program. An Executive Director and an Administrative Assistant are requested in FY 1987 to bring continuity to this office.

The Office of Business and Economic Development is assisted in its efforts by the D.C. Chamber of Commerce. Increased funding is requested in FY 1987 to support their activities. Two permanent positions are requested for the Latino Initiative to help coordinate a business assistance program for Ward 1 residents. Funding for the positions will be provided through an intra-District sales agreement from the Office on Latino Affairs.

Funding in the amount of $4 million provided in FY 1986 for purposes of capitalizing the District Economic Development Finance Corporation, D.C. Law 5-89, to help meet the needs of the small and minority businesses and to encourage the private sector to participate has been reduced from the budget base as it was a nonrecurring cost. A total of $1,000,000 has been redirected from the Business Purchase Assistance Program to provide the second year public sector funding for the Economic Development Finance Corporation. D.C. Law 5-89 provides for capitalization of at least $1 million per year for each of the first five years of the corporation's operation.

Funding is also provided to fund tne 4 percent FY 1987 pay adjustment, within-grade requirements, the inflationary cost of communications, supplies, equipment and upgrading of the computer equipment.

FY 1987 BUDGET REQUEST

As shown in the following budget summary, the FY 1987 appropriated request for the Office of Business and Economic Development is $5,830,000 and 47 positions, a decrease of $3,483,000 and an increase of 12 positions from FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	30	1,535	35	9,313	47	5,830
Federal	1	54	0	0	0	0
Other	0	4	0	0	0	0
Total Expenditures	31	1,593	35	9,313	47	5,830

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) SBA "503", revolving fund, and CDBG loans....................	32	34	42
(2) Industrial revenue bond approvals.	9	12	12
(3) Urban development action grants...	5	1	0

MINORITY BUSINESS OPPORTUNITY COMMISSION

The Minority Business Opportunity Commission (MBOC), established by the Minority Contracting Act, D.C. Law 1-95, is responsible for developing programs, policies and guidelines to carry out the objectives of the Minority Contracting Act. This includes establishing and implementing a Sheltered Market Program for contracts let to minority business enterprises (MBE's), establishing an effective system for minority business enterprise certification, maintaining an accurate roster of certified minority business enterprises, monitoring the performance of District agencies in meeting the contracting requirements and increasing the availability of financing and bonding for minority business enterprises.

The FY 1987 appropriated budget request provides funds to enable the Commission to continue and expand the program thrust in the private and public sectors while strengthening certification, compliance review, investigation, technical support, and a variety of activities in performing an ombudsman role for certified minority business enterprises. Funding is requested for a small Business Development Unit to provide technical assistance and guidance to small minority businesses that participate in District contracting programs. Experience has shown that many small and new businesses need basic assistance or technical capability, and quality control and management systems. Increased funding is requested for a Certification Unit to conduct in-depth investigations and compliance reviews, especially of suspected violations of the applicable laws or regulations.

Other increases include funding for the 4 percent pay adjustment, within-grade requirements, upgrading computer equipment, publication of an annual report and the inflationary cost of communications.

As shown in the following budget summary, the FY 1987 appropriated request for the Minority Business Opportunity Commission is $870,000 and 18 positions, an increase of $363,000 and nine positions above the FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	9	327	9	507	18	870
Federal	1	65	1	43	0	0
Other	0	0	0	0	0	0
Total Expenditures	10	392	10	550	18	870

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Minority firms certified........	500	500	600
(2) Compliance investigations........	150	150	250
(3) Workshops, conferences and seminars........................	12	15	30

D.C. HOUSING FINANCE AGENCY

The District of Columbia Housing Finance Agency is established pursuant to D.C. Law 2-135, as amended, as a legally separate corporate instrumentality of the District. The agency's mission is to help alleviate the shortage of adequate housing in the District, and it operates primarily by issuing tax-exempt bonds to assist in financing affordable homeownership and rental housing to low-and moderate-income District residents. The agency's ability to issue bonds to finance housing is dependent on a combination of private sector resources and the public resources of the agency, the D.C. Department of Housing and Community Development (DHCD) and the U.S. Department of Housing and Urban Development (HUD). The agency began operations in FY 1982.

The FY 1987 appropriated budget request provides increased funding to maintain multifamily and single-family mortgage financing activity at levels attained in the last two years and to maximize the benefit of such financing to low and moderate-income residents.

Funding is also provided to make necessary improvements in the automation of financial and management information, reporting and control systems, and to provide for authorized board member compensation. Other increases include funds for the 4 percent FY 1987 pay increase, within-grade requirements and the inflationary cost of communications.

The FY 1987 nonappropriated budget reflects administrative fee revenue for the administration of Housing Assistance Grant contracts for multifamily rental housing developments assisted by agency bond financing.

As shown in the following budget summary, the FY 1987 appropriated budget request for the D.C. Housing Finance Agency is $2,390,000 and 18 positions, an increase of $290,000 and 2 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	(16)	1,683	(16)	2,100	(18)	2,390
Federal	(2)	115	(3)	120	(3)	125
Other	0	79	0	75	0	75
Total Expenditures	(18)	1,877	(19)	2,295	(21)	2,590

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Multifamily units.................	1,020	1,842	2,000
(2) Single-family loans..............	637	615	615

BOARD OF APPEALS AND REVIEW

The Board of Appeals and Review, established in 1955, is an administrative agency that provides a forum for the hearing of citizen appeals and a final remedy in matters of property, personal rights and privileges. Within its jurisdiction are certain decisions made by officials of the Department of Consumer and Regulatory Affairs, as well as, other matters that may be assigned by the Mayor of the District of Columbia.

The FY 1987 appropriated budget reflects a transfer-out of one position and funding to meet the increased workload requirements of the Board of Equalization and Review and a base reduction of one position and related funding. This is the result of realignment of the Board of Appeals and Review as well as a decrease in workload due to the elimination of cases formerly processed for the Commission on Human Rights. Due to a reorganization of the Board of Appeals and Review as set forth in Mayor's Order 84-79, many uncontested cases are heard by a one-person committee which reduces the cost of appeals and expedites the hearing process. As a result, the board has no backlog of cases.

FY 1987 OPERATING BUDGET

As shown in the following budget summary, the FY 1987 appropriated budget request for the Board of Appeals and Review is $50,000 and one position, a decrease below FY 1986 of $94,000 and two positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	3	69	3	144	1	50
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	3	69	3	144	1	50

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of appeals................	35	38	40

BOARD OF EQUALIZATION AND REVIEW

The Board of Equalization and Review, established by the District of Columbia Real Property Tax Revision Act of 1974, Public Law 93-407, is responsible for ensuring that real property in the District of Columbia is assessed at 100 percent of its estimated market value and that comparable properties are assessed at comparable valuations. In providing equitable property assessments, the board contributes to the District's economic development efforts by ensuring that commercial property owners are accurately and fairly assessed along with residential homeowners.

The FY 1987 appropriated budget request reflects a transfer-in of funds from the Board of Appeals and Review to meet the workload requirements of the Board of Equalization and Review. Funding will be provided for an Administrative Assistant to assist in the preparation of appeal hearings and four temporary employees to complete cases and render decisions during the peak appeal season.

Other increases are requested to fund the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary cost of communications. Funds are requested to meet the increased cost of board members' compensation due to a projected increase in the number of board meetings as a result of additional appeals.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Board of Equalization and Review is $159,000 and two positions, an increase of $47,000 and one position over FY 1986.

FY 1987 BUDGET REQUEST

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1	103	1	112	2	159
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	1	103	1	112	2	159

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of appeals received........	1,740	1,900	1,900
(2) Percent of appeals by category:			
Residential......................	51%	44%	44%
Commercial.......................	45%	52%	52%
Vacant land......................	4%	4%	4%

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

The Department of Consumer and Regulatory Affairs (DCRA), established by Reorganization Plan Number One of 1983, protects the health, safety, and welfare of the residents of the District of Columbia by regulating business activities; land and building use; occupational and professional conduct and standards; rental housing and condominiums; health and social services care facilities; and the physical environment of the District. The department provides community outreach and consumer information programs to enhance public awareness of departmental activities, and enforces DCRA regulations to ensure compliance with the statutes of the District of Columbia. The Department of Consumer and Regulatory Affairs plays an integral role in the economic development of the District, because each of the department's six operating administrations serves significant areas of commercial activity.

The FY 1987 appropriated budget request provides increased funding and positions to implement new legislative mandates such as the Civil Infractions Act, the Health Occupations Revision Act of 1985, and the Rental Housing Act of 1985. Funding is also provided to enable the department to improve revenue collection capabilities and increase current services in vital economic development and health and safety protection areas. These critical areas of regulatory responsibility include insurance regulation, alcoholic beverage control inspections, health care and social service regulation, and the environmental control program.

A permanent position is requested for the Latino Initiative to assist Latino agencies and businesses in understanding and interpreting licensing and regulatory requirements. Funding for the position will be provided through an intra-District sales agreement from the Office on Latino Affairs. In addition, funding is provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, annualization of positions approved in the FY 1986 budget, and the inflationary cost of communications.

The FY 1987 nonappropriated budget represents federal funding for Historic Preservation, Water Hygiene, Pesticides and Hazardous Wastes, Air Quality Control and Monitoring, as well as Medicaid and Medicare Certification. Other funds include Alcoholic Beverage Control advertising fees, recoveries of assessments for the Abatement of Nuisances program, No-Fault Insurance, Housing Payment Assistance program, Real Estate Education Fund, fingerprinting fees, Boxing and Wrestling Commission fees, and the oil spill contingency fund.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Department of Consumer and Regulatory Affairs is $34,034,000 and 851 positions, an increase of $5,971,000 and 97 positions over FY 1986. The FY 1987 federal budget is $2,785,000 and 62 positions, a decrease of $197,000 and an increase of 2 positions from FY 1986. The private and other funds total $1,621,000 and 5 positions, with no change in spending level or number of positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	701	23,902	754	28,063	851	34,034
Federal	36	1,476	60	2,982	62	2,785
Other	5	1,105	5	1,621	5	1,621
Total Expenditures	742	26,483	819	32,666	918	38,440

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) New and renewal occupational professional licenses	26,585	38,400	36,000
(2) Building inspections	63,012	77,000	91,000
(3) Clients serviced by RACD	32,359	42,500	51,000

PUBLIC SERVICE COMMISSION

The Public Service Commission, established by Congress in 1913, has ratemaking and other regulatory authority over the electric, gas, and telephone companies within the jurisdiction of the District, the taxicab industry, tourist vehicles for hire, and all security transactions taking place in the District of Columbia. The commission has a statutory obligation to ensure that the regulated companies provide their customers with fair, reasonable and nondiscriminatory service. The commission also has responsibilities with respect to cable television, which include regulation of the rates, terms, and conditions for cable television use of existing underground conduits and resolution of disagreements among the cable franchises and the public utilities.

The FY 1987 appropriated budget reflects the third phase of a long range plan to reduce the expenditures of the commission which are, in part, reimbursed to the District by the public utilities. The plan, began in FY 1985, calls for the commission to replace the services of outside consultants with in-house staff in order to reduce expenditures against formal case assessments. Currently, the commission purchases the consulting services of attorneys, economists, and engineers at substantial cost.

To reduce these expenditures and the overall cost of utility regulation, the commission is requesting increased funding and positions to provide for the same in-house staffing capabilities that are now contracted out at a much higher cost to the District. Other increases include funding to replace the commission's existing telephone system, purchase furniture and computer equipment, and provide for increases in supplies and building rent associated with the new employees.

The FY 1987 nonappropriated budget includes three allocable sources of revenue. These are the Pipeline Safety Program, which provides funding to enable the agency to carry out the Gas Pipeline Safety Act of 1996, the Auditor's Assessment Account, which are revenues collected from the utility companies to cover the costs of commission staff performing on-site audits, and the Copy Machine Account, which covers the costs associated with the rental of a copy machine funded on a user-fee basis.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Public Service Commission is $3,351,000 and 68 positions, an increase of $316,000 and 7 positions over FY 1986. The FY 1987 federal funds budget is $68,000. The other funds total $36,000. The total FY 1987 nonappropriated budget represents no change in funding levels and a reduction of one position.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	56	2,053	61	3,035	68	3,351
Federal	2	62	2	68	1	68
Other	0	36	0	36	0	36
Total Expenditures	58	2,151	63	3,139	69	3,455

FY 1987 OPERATING BUDGET

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Formal cases filed................	8	12	12
(2) Orders issued in formal cases.....	203	209	209
(3) Notices issued....................	69	82	98

OFFICE OF THE PEOPLE'S COUNSEL

The Office of the People's Counsel (OPC) was created by Public Law 93-88 in 1975, for the purpose of providing representation in proceedings before the Public Service Commission of all District of Columbia utility consumers of gas, electric, or telephone services, and those who ride in District taxicabs.

The office is mandated by D.C. Law 4-155 to represent the interests of insurance consumers with respect to rate increase applications filed by automobile insurance companies before the District's Department of Consumer and Regulatory Affairs. This office's mission is to advocate vigorously the provision of good service and equitable treatment at fair costs.

The FY 1987 appropriated budget includes funding for an attorney position to enhance the in-house technical capability to decrease its reliance on outside experts. Additional funding is requested to purchase microfilm equipment to increase the ease of access of records and reduce the risk of critical document loss and to continue the phased-in purchase of automated systems to enhance management productivity.

Other increases include funding for the FY 1987 4 percent pay adjustment, within-grade requirements, upgrading of the telephone system and the increased cost of rent.

The FY 1987 nonappropriated budget represents a decrease in reimbursements from carriers of automobile insurance for expenses incurred by OPC in fulfilling its statutory obligations under D.C. Law 4-155.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the People's Counsel is $1,087,000 and 15 positions, an increase over FY 1986 of $82,000 and 1 position. Other funding is estimated at $40,000, a decrease of $50,000 from FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	14	812	14	1,005	15	1,087
Federal	0	0	0	0	0	0
Other	0	0	0	90	0	40
Total Expenditures	14	812	14	1,095	15	1,127

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Formal cases......................	9	16	16
(2) Rate cases........................	5	2	2
(3) Total consumer inquiries..........	10,400	14,600	20,400

COMMISSION ON LICENSURE TO PRACTICE THE HEALING ART

The Commission on Licensure to Practice the Healing Art, established in accordance with D.C. Law 1-106 is responsible for the establishment of procedures designed to approve or deny licensure of applicants to practice medicine and surgery, osteopathy and surgery, chiropractic treatment, midwifery, naturopathy, and nursing home administration in the District of Columbia.

The FY 1987 appropriated budget request maintains the current level of services. Funds are requested for the 4 percent FY 1987 pay adjustment, within-grade requirements, and inflationary costs for communications, space rental, and medical licensure examinations.

As shown in the following budget summary, the FY 1987 budget request for the Commission on Licensure to Practice the Healing Art is $464,000 and 11 positions, an increase of $30,000 over FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	11	351	11	434	11	464
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	11	351	11	434	11	464

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) License applications received and processed.....................	773	813	863
(2) Complaints under investigation....	42	60	60
(3) Complaints investigated, reviewed and closed..............	33	70	70

JOB TRAINING INITIATIVE

The Job Training Initiative was established in FY 1986 by a special appropriation of federal funds by the Congress for the design and implementation of an innovative job training program aimed at the hardcore unemployable, particularly teenage dropouts and long-term welfare recipients. The program is administered by the Department of Employment Services (DOES).

FY 1987 OPERATING BUDGET

In FY 1987, funding for the Job Training Initiative is requested to be transferred to the Department of Employment Services. The requested transfer to the Department of Employment Services will enable that agency to continue the special training program initiated in FY 1986. The program design will aide the participants in addressing and eliminating their particular barriers to employment, and will provide training in specific occupational skills to enhance their opportunities for placement in gainful employment.

As shown in the following budget summary, the FY 1987 appropriated budget request reflects the transfer-out of the $500,000 to the Department of Employment Services.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	0	0	500	--	--
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	0	0	500	0	0

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Participant enrollments...........	0	150	0

Table IV-4
PUBLIC SAFETY AND JUSTICE: FY 1985-1987

($thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	541,269	554,968	585,803
District Funds	535,022	548,866	580,665
Federal Funds	2,223	2,328	1,163
Other Funds	4,024	3,774	3,975
OPERATING BUDGET DETAIL BY AGENCY:			
Metropolitan Police Department:	153,893	150,053	159,836
District funds	151,662	148,124	157,813
Federal grants	168	153	40
Other funds	2,063	1,776	1,983
Fire Department:	62,818	60,419	68,287
District funds	62,321	59,863	68,284
Federal grants	493	553	--
Other funds	4	3	3
Police and Fire Retirement:	98,478	115,640	111,800
District funds	98,478	115,640	111,800
Judges Retirement System:	1,823	1,800	2,500
District funds	1,823	1,800	2,500
Court of Appeals (Mayor's):	3,181	3,565	3,758
District funds	3,181	3,565	3,758
Superior Court (Mayor's):	43,175	40,825	43,706
District funds	43,032	40,712	43,706
Federal grants	3	8	--
Other funds	140	105	--
D. C. Court System (Mayor's):	13,336	15,537	16,028
District funds	13,336	15,537	16,028
Office of the Corporation Counsel:	9,373	10,001	10,517
District funds	8,879	9,353	10,137
Federal grants	177	288	--
Other funds	317	360	380
Settlements and Judgments:	6,463	5,669	6,600
District funds	6,463	5,669	6,600
Public Defender Service:	4,246	4,428	4,786
District funds	4,246	4,428	4,786
Pretrial Services Agency:	2,049	2,195	2,367
District funds	1,486	2,174	2,367
Federal grants	563	21	--
Department of Corrections:	138,059	139,482	149,339
District funds	136,559	137,952	147,730
Other funds	1,500	1,530	1,609
Parole Board:	1,091	1,334	1,571
District funds	1,088	1,324	1,571
Federal funds	3	10	--

Table VI-4
PUBLIC SAFETY AND JUSTICE: FY 1985-1987

($thousands)	1985 Actual	1986 Estimate	1987 Estimate
National Guard:	594	710	763
District funds	594	710	763
Office of Emergency Preparedness:	1,029	1,006	1,980
District funds	466	492	1,466
Federal funds	563	514	514
Commission on Judicial Disabilities and Tenure:	114	111	116
District funds	114	111	116
Judicial Nomination Commission:	35	37	37
District funds	35	37	37
Law Revision Commission:	486	486	220
District funds	486	486	220
Office of Criminal Justice Plans and Analysis:	1,026	1,670	1,592
District funds	773	889	983
Federal funds	253	781	609

METROPOLITAN POLICE DEPARTMENT

The Metropolitan Police Department is the primary law enforcement agency of the District of Columbia. The department's overall mission is to ensure public safety through the protection of life and property. The department's services lend considerable support to the District's efforts to create an environment that is conducive to economic growth.

During fiscal year 1987, the department will continue its crime reduction initiatives aimed at reducing narcotic trafficking, identifying and apprehending repeat offenders and career criminals and soliciting community support through a variety of programs aimed at reducing crime.

The deployment of mobile mini-police stations in high crime communities will lend an added dimension to police patrol. The use of these trailer-type units will concentrate police services for extended periods of time, into areas where they are most needed. Expanded use of crime-prevention concepts, directed toward specific categories of crime for selective enforcement and incident reduction will place special emphasis on preventing crime before it occurs. A major program thrust that will make use of this approach is the Police and Citizens Together (PACT) Program. This activity will expand citizen participation in crime prevention at the neighborhood level. The PACT Program is intended to assist police in meeting the highest safety expectations of citizens. The department has found that citizen involvement is a necessary element of law enforcement planning efforts, and is essential to the success of police operations. The refinement of other activities and technologies will support the department's effort to execute a well planned law enforcement policy throughout the fiscal year.

The FY 1987 appropriated budget request includes increased funding for 30 positions to civilianize one-third of the staff manning the 911 system in the Communications Division. The 30 officers released from this division will staff the Public Housing Security Program to address the security concerns in the community. Funding is also provided for 10 unfunded positions to begin foot patrol in the First and Seventh districts during the early morning hours. To meet the requirements of D.C. Law 4-172, funding is requested for 25 positions to establish a Police Cadet Program to provide on-the-job training for District youth interested in a law enforcement career.

Other increases include funding for scheduled vehicle replacement, purchase and maintenance of the police uniform and equipment inventory, the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary cost of communications. Nine permanent positions are requested for the Latino Initiative to ensure 24-hour bilingual capability for the 911 emergency service. Funding for the positions will be provided through an intra-District sales agreement with the Office on Latino Affairs.

The FY 1987 nonappropriated budget includes federal funds from the Department of Public Health and the Drug Enforcement Administration. Public Health funds will be used to support the Diversion Investigation Unit; funds from the Drug Enforcement Administration will be used to support the department's DEA Task Force. Funds from Sears, Inc. will be used to improve community relations activities. Other revenues include funds from the sale of impounded vehicles, abandoned, seized and found property, reimbursement from the federal government for police officers detailed to the U.S. Capitol Police Force, and medical services provided to other federal law enforcement agencies.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Metropolitan Police Department is $157,813,000 and 4,598 positions, a net increase of $9,689,000 and 64 positions over FY 1986. The nonappropriated budget is $2,023,000 and one position, a net increase of $94,000 and a decrease of two positions below FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	4,534	151,662	4,534	148,124	4,598	157,813
Federal	0	168	0	153	0	40
Other	6	2,063	3	1,776	1	1,983
Total Expend.	4,540	153,893	4,537	150,053	4,599	159,836

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Criminal arrests - all categories	38,225	39,942	40,541
(2) Narcotics arrests	9,102	10,400	11,650
(3) Repeat offender arrests	910	925	935

FIRE DEPARTMENT

The District of Columbia Fire Department is authorized by Section 4-301 of the D.C. Code and organized in accordance with Mayor's Order 81-233A dated November 9, 1981, to provide fire prevention, firefighting, and emergency ambulance service. The department currently operates 32 engine companies, 17 aerial ladder companies, four rescue squads, the fire boat, and 22 ambulance companies. These units are organized into eight battalions, distributed among 33 fire stations throughout the District and are supported by various auxillary units.

The FY 1987 appropriated budget request provides adequate personnel and support costs for the continued operation of 54 fire companies divided into 32 engine companies, 17 aerial ladder truck companies, four rescue squads, and one fire boat company with support and headquarters units. Funds are also included for the full year operations of seven advanced life-support emergency ambulance units and 15 basic life-support units for a total of 22 ambulance companies. Both fire fighting and ambulance services will benefit from improved communications.

Funding is also requested to staff the Hazardous Material Unit in order to man this unit on a full-time basis to respond to hazardous material incidents. Four permanent positions are requested for the Latino Initiative to ensure 24-hour Spanish-speaking language capability for the telephone dispatcher service. Funding for the positions will be provided through an intra-District sales agreement with the Office of Latino Affairs.

The Fire Cadet Program, authorized by D.C. Law 4-172, is also funded in the budget request. This program will provide career opportunities for youth in the D.C. Public Schools while at the same time providing the Fire Department with well trained and motivated new firefighters. Cadets will undergo a two-year training and work program before being appointed as firefighters. The first year, they will work and train ten hours a week, in the Fire Department while they finish their senior year of high school. The second year, they will work and train full-time at the Fire Department.

Funding is provided for the 4 percent pay increase plus an additional one and one-half percent for firefighters effective in April 1987. Within-grade requirements and the annualization of positions approved in the FY 1986 budget are also funded.

The FY 1987 nonappropriated budget represents continued funding for the Washington Junior Fire Marshall program and the Firemen's Coffee Fund at FY 1986 levels. Increased funding is provided for the inspection of intermediate care facilities under Medicare.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Fire Department is $68,284,000 and 1,849 positions, an increase of $8,421,000 and 80 positions over FY 1986. The department estimates that it will not receive any direct federal funding in FY 1987; however, private and other funds in FY 1987 will amount to $3,300.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1,664	62,321	1,769	59,863	1,849	68,284
Federal	0	493	0	553	0	0
Other	0	4	0	3	0	3
Total Expend.	1,664	62,818	1,769	60,419	1,849	68,287

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of fires....................	5,500	5,000	4,500
(2) Ambulance responses..............	112,842	118,000	124,000
(3) Fire prevention inspections.......	16,460	20,000	20,000

POLICE AND FIRE RETIREMENT SYSTEM

The Police and Fire Retirement System represents the District's contribution to the District of Columbia Police and Fire Retirement Fund as required by Section 142 of the Retirement Act, Public Law 96-122. After its transfer to the retirement fund, the appropriation provides annuity payments to metropolitan police officers and firefighters retired under the disability and service retirement program. The retirement fund also provides for survivor benefits and refund payments of retirement contributions made by metropolitan police officers and firefighters leaving the retirement program before attaining retirement eligibility.

The FY 1987 appropriated budget request reflects the actuarially determined contribution as certified by the Retirement Board and its actuary which consists of $101,600,000 in net pay-as-you-go (gross retirement payments less active employee retirement withholdings) and $10,200,000 in inflation amortization.

As shown in the following budget summary, the FY 1987 budget for the Police and Fire Retirement System is $111,800,000, a decrease of $3,840,000 below FY 1985.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	98,478	0	115,640	0	111,800
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	98,478	0	115,640	0	111,800

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Service retirees on the rolls.....	1,422	1,465	1,510
(2) Disability retirees...............	2,485	2,490	2,495
(3) Survivors on rolls................	1,401	1,402	1,403

JUDGES' RETIREMENT SYSTEM

The Judges' Retirement System represents the District's contribution to the District of Columbia Judges' Retirement Fund, as required by Section 142 of the Retirement Reform Act, Public Law 96-122. After its transfer to the retirement fund, the appropriation funds the Retirement Board's actuarially certified net-pay-as-you-go and amortization amounts for FY 1987.

The FY 1987 appropriated budget reflects the actuarially determined contribution as certified by the Retirement Board and its actuary. It consists of $1,900,000 in net pay-as-you-go (gross retirement payment less active judges' retirement contributions) and $600,000 for inflation/amortization.

As shown in the following budget summary, the FY 1987 appropriated request for the Judges' Retirement System is $2,500,000 an increase of $700,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	1,823	0	1,800	0	2,500
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	1,823	0	1,800	0	2,500

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Service retirements on rolls......	32	34	36
(2) Disability retirements on rolls...	3	3	4
(3) Survivors on rolls................	5	5	5

DISTRICT OF COLUMBIA COURT OF APPEALS - DISTRICT'S RECOMMENDATION

As the highest court for the District of Columbia, the Court of Appeals reviews all civil and criminal appeals from the Superior Court, appeals from the administrative agencies of the District, disciplinary actions of the Board on Professional Responsibility, as well as, a number of special proceedings. The court is also the authorizing agency for admission to the bar of the District and oversees admission to the bar by motion by members of the bar of other jurisdictions.

Sections 445 and 603(c) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, gives the Mayor the authority to establish a recommended budget level for the Court of Appeals. Due to limited funding available, the Mayor, the Council, and the Court of Appeals have agreed on the same funding level for FY 1987.

FY 1987 OPERATING BUDGET

The FY 1987 appropriated budget request approved by the Mayor and the Council provides additional funding and two positions to handle increased filings and pending cases. Other increases include funding for systematic word processor replacement or updating and funds to obtain contractual services needed to give the Court the technical support and guidance to run its automated systems. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, the 1985 judges' pay raise, and the increased cost of supplies, telephone services, contractual service and law book collection maintenance.

As shown in the following budget summary, the FY 1987 appropriated request for the Court of Appeals is $3,758,000 and 79 positions, an increase of $193,000 and two positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	74	3,181	77	3,565	79	3,758
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	74	3,181	77	3,565	79	3,758

DISTRICT OF COLUMBIA COURT OF APPFALS - Court's Request

As the highest court for the District of Columbia, the Court of Appeals reviews all civil and criminal appeals from the Superior Court, appeals from the administrative agencies of the District, disciplinary actions of the Board on Professional Responsibility as well as a number of special proceedings. The Court is the authorizing agency for admission to the bar of the District; the examination is prepared, administered, and graded, and all applicants are required to pass a character evaluation. The Court also oversees admission to the bar by motion by members of the bar of other jurisdictions. The Court also reviews incidents of the unauthorized practice of law, approves law school clinical programs, and approves certain rules of the Superior Court as well as its own rules.

The FY 1987 appropriated budget request provides additional funding and two positions to handle the increased filings and pending cases. Other increases include funding for systematic word processor replacement or updating and funds to obtain contractual services needed to give the Court the technical support and guidance to run its automated systems. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade advancements, the 1985 judges' pay raise, and the increased cost of supplies, telephone services, contractual service and law book collection maintenance.

FY 1987 BUDGET REQUEST

As shown in the following budget summary, the FY 1987 appropriated budget request for the District of Columbia Court of Appeals is $3,758,000 and 79 positions, a net increase of $193,000 and 2 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	74	3,181	77	3,565	79	3,758
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	74	3,181	77	3,565	79	3,758

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Overall time on appeal Number of days....................	544	487	N/A
(2) Applications for admission to the Bar by examination................	3,220	2,907	1,321
(3) Total filings.....................	1,585	1,580	1,790

DISTRICT OF COLUMBIA SUPERIOR COURT - DISTRICT'S RECOMMENDATION

The Superior Court is the District's unified court of general jurisdiction. It is the trial court with original jurisdiction over all criminal, civil, tax, and probate cases, as provided for in Title II of the D.C. Code, "Organization and Jurisdiction of the Courts".

Sections 445 and 603(c) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, gives the Mayor the authority to establish a recommended budget level for the Superior Court. The funding level approved by the Mayor and the Council is slightly below the level requested by the Superior Court.

The FY 1987 Appropriated budget approved by the Mayor and the Council provides additional funding and positions for such programs as the Multi-Door Dispute Resolution Program, the Screening and Diversion Program, the Street Law Program, the Sentencing Guidelines Project, the Child Abuse and Neglect Program, and the Child Support and Enforcement Program. Other increases include funding for the annualization of positions approved in fiscal year 1986 and funds to obtain contractual services needed for youth under the Court's supervision. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, the 1985 judge's pay raise, additional overtime pay, greater juror fee and entitlement expense and the increased cost of supplies, building rental, telephone service, contractual services, postage and law book collection maintenance.

FY 1987 OPERATING BUDGET

As shown in the following budget summary, the FY 1987 appropriated budget request for the Superior Court is $43,706,000 and 1,036 positions, an increase over FY 1986 of $2,994,000 and 41 positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	983	43,032	995	40,712	1,036	43,706
Federal	0	3	0	8	0	0
Other	7	140	7	105	0	0
Total Expenditures	990	43,175	1,002	40,825	1,036	43,706

DISTRICT OF COLUMBIA SUPERIOR COURT - Court's Request

The Superior Court is the District's unified court of general jurisdiction. It is the trial court with original jurisdiction over all criminal, civil, family, tax, and probate cases, as provided for in Title 11 of the D.C. Code, "Organization and Jurisdiction of the Courts."

The FY 1987 appropriated budget request provides additional funding and 38 positions needed to deal with increased filings and pending cases. Other increases include funding for the annualization of positions approved and partially funded in fiscal year 1986 and funds to obtain contractual services needed for youth under the Court's supervision. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade advancements, the 1985 judges' pay raise, additional overtime pay, greater juror fee and entitlement expense and the increased costs of supplies, building rental, telephone service contractual services, postage and law book collection maintenance.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Superior Court of the District of Columbia is $43,859,000 and 1,033 positions, a net increase of $3,147,000 and 38 positions over FY 1986. The availability of funding from federal or other sources in FY 1987 is not known at this time.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	983	38,066	995	40,712	1,033	43,859
Federal	0	3	0	8	0	0
Other	7	140	7	105	0	0
Total Expenditures	990	38,209	1,002	40,825	1,033	43,859

DISTRICT OF COLUMBIA COURT SYSTEM - DISTRICT'S RECOMMENDATION

The Court System is responsible for providing administrative and financial management support to the District's Superior Court and the Court of Appeals. In addition, the Court System provides and administers the court reporting resources of the trial court and oversees the financial aspects of the Criminal Justice Act program. The D.C. Court System is headed by the Executive Officer whose activities are subject to the approval of the Joint Committee on Judicial Administration.

Sections 445 and 603(c) of the District of Columbia Self Government and Governmental Reorganization Act, Public Law 93-198, gives the Mayor the authority to establish a recommended budget level for the Court System. Due to limited funds available, the Mayor, the Council, and the Court of Appeals have agreed on the same funding level for FY 1987.

The FY 1987 appropriated budget request approved by the Mayor and the Council provides additional funding and three positions to handle the increased Criminal Justice Act program costs and voucher payments. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, the 1985 Executive Officer's pay raise, and the increased cost of supplies, printing and other miscellaneous items.

As shown in the following budget summary, the FY 1987 appropriated budget recommended by the Mayor for the Court System is $16,028,000 and 71 positions, an increase over the FY 1986 budget of $491,000 and three positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	67	13,336	68	15,537	71	16,028
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	67	13,336	68	15,537	71	16,028

DISTRICT OF COLUMBIA COURT SYSTEM - Court's Request

The D.C. Court System is headed by the Executive Officer, who, subject to the approval of the Joint Committee on Judicial Administration in the District of Columbia, is responsible for the administration of the District of Columbia Court System. Some of these responsibilities include: general personnel policies, including those of recruitment, removal, compensation and training; accounting and auditing; procurement and disbursement; submission of annual budget requests; development and coordination of statistical and management information systems and reports supporting the annual report of the District of Columbia court system; liaison with the court systems of other jurisdictions; preparation and publication of the annual report; consideration and evaluation of the business of the courts and determination of means of improving the administration of justice within the court system; and recommendation to Congress of changes in the organization, jurisdiction, operation and procedures of the courts which are appropriate for legislative actions.

In addition, the Court System provides and administers the court reporting resources of the Trial Court and oversees the financial aspects of the Criminal Justice Act program.

The FY 1987 appropriated budget request provides additional funding and three positions to handle the increased Criminal Justice Act program costs and voucher submissions. Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade advancement, the 1985 Executive Officer's pay raise, and the inflationary cost of supplies, printing and other miscellaneous items.

As shown in the following budget summary, the FY 1987 appropriated budget request for the District of Columbia Court System is $16,028,000 and 71 positions, a net increase of $491,000 and 3 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	67	13,336	68	15,537	71	16,028
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	67	13,336	68	15,537	71	16,028

OFFICE OF THE CORPORATION COUNSEL

The Office of the Corporation Counsel is the legal office of the District of Columbia government. It conducts all legal business for the District of Columbia except the prosecution of adults for felonies and serious misdemeanors.

The FY 1987 appropriated budget request will enable the office to fund major ongoing programs and nondiscretionary increases in personal services. Increased funding is requested for expert witnesses, depositions and transcripts. Increased contractual costs of both the Citizens Complaint Center and medical and psychiatric consultation in child abuse cases are also funded.

Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, building rent, Westlaw Research Terminal rental costs and inflationary telephone costs. In addition, there is a base reduction for the nonrecurring purchase of furniture and equipment.

The FY 1987 nonappropriated budget represents revenue from fines assessed against persons convicted for driving under the influence of alcohol.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of the Corporation Counsel is $10,137,000 and 213 positions, an increase over the FY 1986 level of $784,000 with no change in positions. The nonappropriated funds are $380,000 and four positions, a decrease of $268,000 and 6 positions due to the expiration of a federal grant.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	201	8,879	213	9,353	213	10,137
Federal	5	177	6	288	0	0
Other	4	317	4	360	4	380
Total Expenditures	210	9,373	223	10,001	217	10,517

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Lawsuits filed/received..........	1,092	1,180	1,280
(2) Claims received..................	1,405	1,400	1,400
(3) Claims disposed of...............	1,546	1,600	2,000

SETTLEMENTS AND JUDGMENTS

This special account is established for the settlement of claims and suits and the payment of judgments that have been entered against the District of Columbia. Pursuant to D.C. Law 3-114, the District of Columbia Tort Claims Settlement Authority Act of 1980, the District has unlimited settlement authority, thereby enabling discretionary avoidance of potentially large and excessive judgments. This account is administered by the Office of the Corporation Counsel.

As shown in the following budget summary, the FY 1987 appropriated budget for Settlements and Judgments is $6,600,000 an increase of $931,000 over FY 1986.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	6,463	0	5,669	0	6,600
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	6,463	0	5,669	0	6,600

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of settlements.............	607	700	700
(2) Number of judgments...............	60	60	60
(3) Average judgment payment..........	$59,500	$65,000	$70,000
(4) Average settlement payment........	$4,900	$6,000	$7,200

PUBLIC DEFENDER SERVICE

The Public Defender Service (PDS), created under the Court Reform Act of 1970, Public Law 91-358, provides legal representation for indigent persons in criminal, juvenile, and mental health commitment matters at both the trial and appellate levels. In addition, the Service's Criminal Justice Act Office coordinates the Appointment of Counsel Program in the Superior Court. The Service also provides substantial amounts of investigative and social work services as well as legal and strategic advice, at no charge, to private counsel appointed under the D.C. Criminal Justice Act (Public Law 93-412) to represent indigent defendants not represented by PDS attorneys.

In FY 1987 the Public Defender Service has requested three new positions and funding which are necessary for agency workload management. The positions include two interview clerks for the agency's Criminal Justice Act Office in which workload has increased by more than one-third since 1980. The third position is for an Assistant Administrative Officer. The Public Defender Service is requesting additional funds to meet the uncontrollable costs in the areas of forensic expert services rendered in the agency's cases and the court transcripts required for trial preparation of appellate litigation. The agency has also requested funds for the increased usage of the computerized legal research service and for equipment. Increased funds are also requested for 4 percent FY 1987 pay adjustment, and within-grade requirements.

As shown in the following budget summary, the FY 1987 appropriated request for the Public Defender Service is $4,786,000 and 120 positions, an increase of $358,000 over FY 1986 and three additional positions.

FY 1987 BUDGET REQUEST

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	(117)	4,246	(117)	4,428	(120)	4,786
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	(117)	4,246	(117)	4,428	(120)	4,786

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Attorney representation (closed cases)....................	4,610	4,915	5,075
(2) CJA - Financial eligibility interviews.........................	26,280	27,331	28,151
(3) Private counsel appointments processed.........................	21,055	21,897	22,554

PRETRIAL SERVICES AGENCY

The Pretrial Services Agency, provides services to the courts and law enforcement agencies in the District of Columbia in accordance with D.C. Code 23-1301. These services include conducting urine tests for drugs on each arrestee brought to the Superior Court; providing background information about all arrestees for use in determining eligibility for pretrial release; providing follow-up services designed to ensure that individuals granted release return to court; supervising pretrial releases and reporting violations to the court and the to the U.S. Attorney's Office; and coordinating the activities of the third-party custody organizations that serve the District.

The FY 1987 appropriated budget includes funds to enable the agency to continue to meet the needs of the justice system with respect to information on arrestees, supervision of releases, and drug testing in appropriate instances. Four positions are requested for the Post-Release Services Unit to augment the existing staff in supervising court-ordered conditions of release. This will result in more defendants being released until their court date. Increased staffing is also requested for the Failure-to-Appear Unit in order to locate and ensure that defendants who have failed to appear for a court date, return to court.

Increases are also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, computer supplies, increased postage and printing needs, and the inflationary cost of telephones.

FY 1987 OPERATING BUDGET

As shown in the following budget summary, the FY 1987 appropriated budget request for the Pretrial Services Agency is $2,367,000 and 69 positions, an increase of $193,000 and 6 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	48	1,486	63	2,174	69	2,367
Federal	16	563	0	21	0	0
Other	0	0	0	0	0	0
Total Expenditures	64	2,049	63	2,195	69	2,367

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Interviews conducted..............	27,129	27,988	29,500
(2) Arrestees analyzed for presence of drugs.................	16,500	20,000	22,000
(3) Cases under supervision...........	8,000	9,000	9,900

DEPARTMENT OF CORRECTIONS

The Department of Corrections, pursuant to D.C. Code Section 24-442, protects the public by holding pretrial and convicted persons in a secure setting and by increasing the probability that those placed in its care will live law-abiding lives after their release. This is achieved by providing educational training and counseling opportunities during incarceration and by supervising parolees. The priorities of the agency include providing security for the citizenry of the District and for residents of departmental facilities; ensuring a healthful and humane institutional environment that respects basic physical, spiritual, emotional, and intellectual needs of all residents; and promoting sound academic, vocational, and mental health status prior to release.

The FY 1987 appropriated budget request provides for a population of 6,500 in ten District-operated institutions, 736 in community correctional centers, 1,620 D.C. Code violators housed in federal institutions, and 2,300 under parole supervision. Increased funding is requested for opening and operating for nine months a new 400-person medium security facility and two new community based work release centers. Funding is also provided for a small-scale educational and vocational program for inmates.

Other increases include positions and associated funding for several programs formerly supported by the Criminal Justice Initiative special appropriation, of which 106 positions address court-ordered staffing levels, the expansion of substance abuse detection and counselling programs, the cost of supporting additional residents both in correctional facilities and work release centers, and the increase in communications costs.

The Criminal Justice Initiative special appropriation for the educational and vocational program has been removed from the base of the department. The District will request increased federal support for the initiative in FY 1987.

Funding is also requested to support the cost of annualization of the FY 1986 upgrading of correctional officers, the 4 percent FY 1987 pay adjustment, and within-grade requirements.

The FY 1987 nonappropriated budget includes concession income which represents revenue obtained from the sale of canteen items to the resident population; Chapter One, a federal grant managed by D.C. Public Schools to provide special educational services for youthful offenders; and a variety of work programs designed to provide job skills development and employment for offenders.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Department of Corrections is $147,730,000 and 2,857 authorized positions. This is a net increase of $9,778,000 above and 11 positions below the FY 1986 budget. The decrease in positions is associated with the base reduction of the Criminal Justice Initiative.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	2,868	136,559	2,868	137,952	2,857	147,730
Federal	0	0	0	0	0	0
Other	0	1,500	0	1,530	0	1,609
Total Expend.	2,868	138,059	2,868	139,482	2,857	149,339

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Average daily population at District facilities	6,165	6,300	6,500
(2) Federal Bureau of Prisons population	1,425	1,654	1,620
(3) Perimeter escapes	1	1	0

BOARD OF PAROLE

The Board of Parole, established in accordance with Commissioner's Order 67-95, in 1967, is a three-member quasi-judicial body, appointed by the Mayor. Its purpose is to: (1) determine if and when it is in the best interest of society and an offender for him or her to be released from custody into the community; (2) establish the terms and conditions of such parole; (3) set standards in collaboration with the Department of Corrections regarding the supervision of persons on parole; and (4) decide if and when to terminate such parole or mandatory release or to modify the terms or conditions of parole.

The FY 1987 appropriated budget request provides funding and positions necessary for the board to maintain its current level of services and to improve the delivery of services, such as the enhancement of the communications and management information systems, continuation of the specialized controlled substance abuse unit, and to focus on litigation and prison overcrowding and parole revocation hearings, resulting from the *Campbell v. McGruder*, *Cosgrove v. Smith* and *Morrissey v. Brewer* court cases.

Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, payments to *ad hoc* board members, inflationary increase in communications, printing and publication, legal and legislative reference library, supplies for the computerized filing system, technical studies, transcription services, training and staff development, and accreditation by the Commission on Accreditation for Corrections.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Board of Parole is $1,571,000 and 40 positions, an increase of $247,000 and seven positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	33	1,088	33	1,324	40	1,571
Federal	0	3	0	10	0	0
Other	0	0	0	0	0	0
Total Expenditures	33	1,091	33	1,334	40	1,571

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Paroles granted..................	1,040	1,144	1,258
(2) Paroles denied or continued.......	1,128	1,240	1,364
(3) Paroles revoked..................	435	479	527

NATIONAL GUARD

The District of Columbia National Guard functions both as the militia of the District of Columbia and as a reserve component of the Army and Air Force. Thus, it serves both the District of Columbia government and the federal government.

FY 1987 BUDGET REQUEST

The National Guard provides community service programs to the District in addition to its more traditional public safety and military activities. They include operating an annual ten-day youth leadership camp for selected high school students, participating in various ceremonial functions, and sponsoring numerous charitable activities.

The FY 1987 appropriated budget request will provide education assistance for national guard officers, procurement of awards and medals for guard members, maintenance of computer hardware, and attendance of guard members at professional conferences. Other increases included funds for the 4 percent FY 1987 pay adjustment and within-grade increases.

As shown in the following budget summary, the FY 1987 appropriated budget request is $763,000 and 25 positions, an increase of $53,000 over FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	22	594	25	710	25	763
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	22	594	25	710	25	763

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Emergency assistance.............	4	4	4
(2) Ceremonial functions.............	60	75	85
(3) Youth leader camp - number of participants......................	150	150	150

OFFICE OF EMERGENCY PREPAREDNESS

The Office of Emergency Preparedness has the primary responsibility for directing, administering and coordinating emergency management responsibilities for the District of Columbia. As mandated by law, the agency provides the personnel and administration support to maintain an annual 24-hour daily Emergency Command and Control Center (ECC). A backup Emergency Operations Center (EOC) is also maintained at the District's Youth Center in Lorton, Virginia.

The FY 1987 appropriated budget request will improve the agency's response to disaster crises, special events, citizens' complaints and request for service. This will be accomplished with the funding of the Citizens' Information and Referral System. The Citizens' Information and Referral System will provide a 24 hour, 365 day operation for citizens who need government service or want to register complaints. Funding is also provided for the Hazardous Material Program in order to replace federal funding for a program to deal with the whole range of hazardous materials.

Increased funding is requested for the 4 percent FY 1987 pay adjustment, within-grade requirements, vehicle maintenance, federal grant audits, maintenance of the two-way radio system and the inflationary cost of communications.

Two positions and funding have been transferred in from the Office of the Secretary to help staff the automated Citizens Information and Referral System. Another position and funding has been transferred-in from the Office of Human Rights to assist in developing, administering and monitoring the affirmative action plan.

The office receives nonappropriated funds from the Federal Emergency Management Agency in support of the emergency planning and response program.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Emergency Preparedness is $1,466,000 and 34 positions, an increase of $974,000 and 19 positions above the prior year authorization. Federal funding is $514,000 and 17 positions, the same level as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	11	466	15	492	34	1,466
Federal	19	563	17	514	17	514
Other	0	0	0	0	0	0
Total Expenditures	30	1,029	32	1,006	51	1,980

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Citizen assistance calls received	33,207	46,550	450,000
(2) Communications & warning tests	2,750	2,800	2,920
(3) Test and exercise activities	9	47	57

COMMISSION JUDICIAL DISABILITIES AND TENURE

The District of Columbia Commission on Judicial Disabilities and Tenure was established pursuant to Section 431 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198. The Commission has jurisdiction over all active and retired judges of the District of Columbia courts, i.e., the Superior Court of the District of Columbia and District of Columbia Court of Appeals.

FY 1987 BUDGET REQUEST

The FY 1987 appropriated budget maintains the current level of services. Funds are requested for the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 appropriated request for the Commission on Judicial Disabilities and Tenure is $116,000 and two positions, an increase over FY 1986 of $5,000 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1	114	2	111	2	116
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	1	114	2	111	2	116

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Reappointment proceedings.........	3	0	4
(2) Misconduct investigations.........	10	10	10
(3) Review of retired judges..........	4	11	14

JUDICIAL NOMINATION COMMISSION

The Judicial Nomination Commission, established pursuant to Section 434 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, is responsible for selecting and recommending nominees to the President to fill judicial vacancies in the District's Courts. The commission is composed of seven members, two are appointed by the Mayor, two by the unified bar, one by the District Council, one by the President of the United States, and one by the Chief Judge of the U.S. District Court for the District of Columbia.

The FY 1987 appropriated budget provides funding for the commission to maintain contact with various bar associations and individuals in an ongoing effort towards maintaining lists of qualified individuals who may be interested in seeking a judicial appointment.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Judicial Nomination Commission is $37,000 and no continuing full-time employees, the same level as in FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	35	0	37	0	37
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	35	0	37	0	37

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Judicial nominees investigated....	16	16	30
(2) Judicial vacancies filled.........	6	6	8

LAW REVISION COMMISSION

The D.C. Law Revision Commission, in accordance with D.C. Code, Section 49-401 et seq., was established to examine the laws of the District of Columbia on a comprehensive basis and to recommend changes and reforms to remedy legal defects and anachronisms and to modernize the civil, criminal, and administrative law of the District.

The commission is composed of 17 members appointed by the President, the Chairman of the House District Committee, the Chairman of the Senate Committee on Governmental Operations, the Mayor, the District Council, the Joint Committee on Judicial Administration, the D.C. Bar, the Corporation Counsel and the Public Defender.

The FY 1987 appropriated budget reflects a reduction of five positions. Three positions and related funding remain to provide support to the Commission members.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Law Revision Commission is $306,000 and three positions, a decrease of $266,000 and five positions below the FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	8	486	8	486	3	220
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	8	486	8	486	3	220

OFFICE OF CRIMINAL JUSTICE PLANS AND ANALYSIS

The Office of Criminal Justice Plans and Analysis (OCJPA) established pursuant to D.C. Law 2-107, is the District government's central unit for research and evaluation of the criminal justice system. The office plans and implements the Justice Assistance Program and the D.C. Law School Clinical Assistance Program. The Civilian Complaint Review Board, a separate control center, is responsible for investigating civilian complaints about the misconduct of police officers including police harassment, excessive use of force, or use of demeaning and disrespectful language.

FY 1987 BUDGET REQUEST

The FY 1987 appropriated budget request for the Office of Criminal Justice Plans and Analysis includes funds for the audit of federal grant funds received under the Justice Assistance Act of 1985 as required by OMB circular A-128. The FY 1987 budget for the Civilian Complaint Review Board will provide for the conversion of four temporary positions to permanent authorized positions to enable the Board to continue to reduce the backlog of cases.

One permanent position is requested for the Civilian Complaint Review Board for the Latino Initiative to provide bilingual interpreting services and legal assistance in cases involving Spanish-speaking clients. Funding for the position will be provided through an intra-District sales agreement with the Office on Latino Affairs.

Funding for both offices includes increases for the 4 percent FY 1987 pay adjustment, within-grade increases, annualization of positions approved in the FY 1986 budget and the increased cost of communications.

The nonappropriated budget request for FY 1987 includes a research grant to operate a clearinghouse of justice publications and crime data and block grants under the federal Justice Assistance Program.

As shown in the following budget summary, the appropriated request for the Office of Criminal Justice Plans and Analysis is $983,000 and 20 authorized positions, an increase of $94,000 and five positions over FY 1986. The estimate for federal funding is $609,000 a decrease of $172,000 below FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	13	773	15	889	20	983
Federal	0	253	0	781	0	609
Other	0	0	0	0	0	0
Total Expenditures	13	1,026	15	1,670	20	1,592

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Policy/action plans...............	19	11	11
(2) Research reports planned..........	3	3	3
(3) Complaints received...............	350	400	400

Table IV-5
PUBLIC EDUCATION: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	550,943	579,309	601,868
District Funds	490,379	515,655	540,872
Federal Funds	46,177	50,494	47,132
Other Funds	14,387	13,160	13,864
OPERATING BUDGET DETAIL BY AGENCY:			
Board of Education:	388,000	406,810	428,769
District funds	345,635	360,150	385,806
Federal grants	39,516	43,578	40,050
Other funds	2,849	3,082	2,913
Board of Education:			
Financing Pay-As-You-Go Capital	--	--	8,000
District funds	--	--	8,000
Teachers' Retirement and Annuity Fund:	64,194	70,905	58,800
District funds	64,194	70,905	58,800
University of the District of Columbia:	82,126	83,382	85,844
District funds	64,933	67,715	69,015
Federal grants	5,785	5,974	6,128
Other funds	11,408	9,693	10,701
Educational Institution Licensure Commission:	253	272	299
District funds	204	210	237
Federal funds	49	61	62
Other funds	--	1	--
Public Library:	14,806	15,835	17,345
District funds	14,215	15,002	16,646
Federal grants	466	449	449
Other funds	125	384	250
Commission on the Arts and Humanities:	1,564	2,105	2,811
District funds...............	1,198	1,673	2,368
Federal funds	361	432	443
Other	5	--	--

BOARD OF EDUCATION

The District of Columbia Public Schools provide preschool, kindergarten, elementary, secondary and continuing education programs for more than 88,000 District students. In the past few years, under the leadership of the President of the Board of Education and Superintendent of Schools, the school system has made dramatic progress. It is increasingly the subject of local, regional and national attention, especially with regard to public-private cooperation in career oriented educational programs.

District youth must be prepared for the jobs which dominate the Washington metropolitan area: government, the service industry, the health care industry and the international, diplomatic community. Preschool, elementary, secondary and continuing education are essential to the student's preparation for this competitive community.

In FY 1987, the school system will continue to focus on programs and services that increase academic growth and career opportunities for students. Specific resources will be directed toward efforts to improve progress at the secondary level and to ensure the appropriate educational responses to the statutorily vested rights of special education children in our schools. Support for technology will continue toward the full utilization of technology in educational instruction and management. Additionally, resources will also be directed toward the long-neglected areas of building repair and maintenance and to support the operations of school buildings.

The FY 1987 budget level provides an increase of $25,656,000 over the congressionally approved level for the Board of Education. The increase, to be allocated by the Board, provides full funding for the 4 percent FY 1987 pay adjustment and within-grade requirements. It also allows for the inflationary cost of textbooks, supplies, and other instructional materials.

Also, this funding level provides resources for the expansion of current services to support the projected increases in elementary school enrollment, the second phase of an extended full-day pre-kindergarten program, resources for needed improvements in special education services, and support for secondary math, English and counseling services, among other areas. The funding level will also provide appropriated dollars for programs previously funded by federal funds for the bilingual education program. An additional 140 positions have been provided in support of these programs.

The recommendation also funds a $650,000 increase added by the Congress to the FY 1986 budget of the Board of Education and funded entirely with federal funds. This $650,000 included $500,000 for the expansion of the truancy program and $150,000 for a student dropout prevention program targeted at junior high school students. This was over and above the FY 1986 budget approved by the Mayor and the Council. The Mayor, because of his commitment to the youth of the District funded these programs in FY 1987 by placing them in the FY 1986 budget base thus making the FY 1986 budget base of the public schools "whole".

As shown in the following budget summary, the FY 1987 Board of Education appropriated request is $385,806,000 and 9,545 positions, an increase of $25,656,000 and 140 positions over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	9,272	345,635	9,405	360,150	9,545	385,806
Federal	1,061	39,516	1,066	43,578	944	40,050
Other	30	2,849	36	3,082	35	2,913
Total Expenditures	10,363	388,000	10,507	406,810	10,524	428,769

BOARD OF EDUCATION

Financing Pay-As-You-Go Capital Projects

Funding is requested to finance pay-as-you-go capital projects in order to enable the Public Schools to make minor and major repairs and renovations to public school facilities. The revenue financing the pay-as-you-go capital projects will be generated by the proposed Tax Amnesty Act. These revenues are a one-time revenue funding source and are nonrecurring; therefore, these projects will be nonrecurring in FY 1988.

As shown in the following budget summary, the FY 1987 appropriated request for the Board of Education for pay-as-you-go capital projects is $8,000,000 and no positions, an increase of $8,000,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	0	0	0	0	8,000
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	8,000

TEACHERS' RETIREMENT AND ANNUITY PAYMENT

The Teachers' Retirement and Annuity Payment represents the District's contribution to the District of Columbia Teachers' Retirement Fund, as required by Section 142 of the Retirement Reform Act, Public Law 96-122. After the payment is transferred to the Retirement Fund, it provides resources for payments to teachers retired under the disability and service retirement program and for survivor benefits and refund payments of retirement contributions made by teachers leaving the retirement program before attaining retirement eligibility.

The FY 1987 funding request represents the actuarially determined FY 1987 contribution to the teachers' retirement fund and consists of $57,100,000 in net pay-as-you-go (gross retirement benefit payments less active employee retirement withholdings), and $1,700,000 for inflation/amortization. In accordance with the D.C. Retirement Reform Act of 1979 (P.L. 96-122), the amounts have been certified by the Retirement Board and its actuary.

As shown in the following budget summary, the FY 1987 appropriated budget for the Teachers' Retirement and Annuity Payment is $58,800,000 a decrease of $12,105,000 below the FY 1986 budget.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	64,194	0	70,905	0	58,800
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	64,194	0	70,905	0	58,800

PROGRAM MEASURES	FY 1985	FY 1986	FY 1986
(1) Service retirees on the rolls.....	2,613	2,629	2,658
(2) Disability retirees on the rolls..	613	618	623
(3) Survivors on the rolls...........	278	294	310

UNIVERSITY OF THE DISTRICT OF COLUMBIA

The University of the District of Columbia (UDC), pursuant to D.C. Law 1-36, is the nation's only exclusively urban land-grant university. The land-grant institution has a mandate to teach, engage in basic and applied research, and carry the results to the community through extension programs.

FY 1987 OPERATING BUDGET

The University provides a comprehensive program of public postsecondary education, organized within a five-college structure. The University offers 43 associate, 70 baccalaureate, 6 certificate and 18 master's degree programs in liberal arts, career, and professional studies.

The FY 1987 appropriated budget request maintains the same level of funding for programs as the FY 1986 level and will support a total enrollment of approximately 12,080 students, equated to a full-time equivalent student enrollment of 7,411. In response to the mandate from the District Council to reduce administrative costs and therefore rely more heavily on University revenue a Comprehensive Management Plan that will provide short-term and long-range guidance for University operations is being developed.

The University will absorb $5,000,000 in required costs in the FY 1987 budget. A freeze on recruitment actions and personnel vacancies will amount to $1,700,000. The Management Plan will be the instrument which determines which university units will absorb the cost containment reduction. An objective is to preserve the integrity of the academic/instructional environment. Thus, the Management Plan is intended to offer the University the framework to support orderly development.

Funding of $1,300,000 is included in the FY 1987 budget for the possible merger of the Antioch Law School. The use of the funds is contingent on the approval of the merger by the University Board of Trustees and the Council of the District of Columbia. If the merger is not approved by either body, the $1,300,000 will be used for the repayment of the general fund deficit in FY 1987.

The FY 1987 nonappropriated budget includes federal funds for the Cooperative Extension Program and research grant programs. Other revenues include tuition, postsecondary, and interest income from invested endowment funds.

As shown in the following budget summary, the FY 1987 appropriated budget for the University of the District of Columbia is $69,015,000 and 1,365 positions, an increase of $1,300,000 over the FY 1986 budget. The FY 1987 nonappropriated funds are $16,829,000 and 151 positions, a decrease of $1,162,000 and no change in positions from FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1,365	64,933	1,365	67,715	1,365	69,015
Federal	90	5,785	96	5,974	96	6,128
Other	41	11,408	55	9,693	55	10,701
Total Expend.	1,496	82,126	1,516	83,382	1,516	85,844

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) FTE student enrollment............	7,825	7,411	7,411
(2) Student enrollment (head count)...	12,832	12,080	12,080
(3) Academic programs offered.........	137	137	137

EDUCATIONAL INSTITUTION LICENSURE COMMISSION

The Educational Institution Licensure Commission, established pursuant to D.C. Law 1-104, is responsible for licensing and regulating private, postsecondary degree-granting institutions, proprietary and vocational (nondegree-granting) institutions, and private elementary and secondary institutions, and approving courses for veterans' education benefits.

The FY 1987 appropriated budget request provides funding to maintain the current level of services as in FY 1986. Increased funding is provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, and underfunded positions.

The Commission receives nonappropriated funds from the Veterans Administration for expenses associated with the approval of courses for which veterans can claim educational benefits.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Educational Institution Licensure Commission is $237,000 and five positions, an increase of $27,000 over the FY 1986 budget with no change in positions. The FY 1987 nonappropriated budget is $62,000, the same level as in the prior year.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	5	204	5	210	5	237
Federal	2	49	2	61	2	62
Other	0	0	0	1	0	0
Total Expenditures	7	253	7	272	7	299

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Applications processed...........	140	165	180
(2) Institutions reviewed............	83	120	130
(3) Sites evaluated..................	66	69	80

PUBLIC LIBRARY

The D.C. Public Library was created by an act of Congress in 1896 "to furnish books and other printed matter and information service convenient to the homes and offices of all residents" of the District (D.C. Code, 37-101). Library services accessible at the downtown main library, the Martin Luther King Memorial Library, 20 neighborhood libraries and five community and kiosk libraries.

The FY 1987 appropriated budget request includes increased funding to open the local branch libraries six days a week instead of five. All regional and local branches will be open six mornings a week instead of the present four at regional branches and three at local branches. Funding to retain the essential paging service at the Martin Luther King Memorial Library is requested in the face of anticipated federal cutbacks. The Library is also requesting an increase in the general book fund and funding for basic equipment and book collection for the new Shepherd Park Branch Library.

The FY 1987 budget request also provides increased funding for the 4 percent FY 1987 pay adjustment, within-grade requirements and the inflationary increase in telephone costs.

The FY 1987 nonappropriated budget represents an increase in revenue from library fines and lost book fees. Other funds include revenue from the Library Services and Construction Act, the D.C. Accessory Sales Act, interest on invested bequests, and miscellaneous gifts and donations.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Public Library is $16,646,000 and 444 positions, an increase of $1,644,000 and 32 positions over FY 1986. The FY 1987 nonappropriated budget is $699,000, a decrease of $134,000 below FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	402	14,215	412	15,002	444	16,646
Federal	8	466	8	449	8	449
Other	1	125	1	384	1	250
Total Expenditures	411	14,806	421	15,835	453	17,345

PROGRAM MEASURES (in thousands)	FY 1985	FY 1986	FY 1987
(1) Circulation......................	1,773	1,843	1,994
(2) Library visits....................	2,007	2,059	2,171
(3) Occupancy index..................	1,316	1,329	1,391

COMMISSION ON THE ARTS AND HUMANITIES

The Commission on the Arts and Humanities, established in accordance with D.C. Law 1-22, serves both as the District of

Columbia's municipal arts agency and as its designated state arts agency. In the former role, the commission initiates and develops programs which promote progress in the arts. As the designated state arts agency, the commission is authorized to receive the District's federal grants for arts programs from the National Endowment for the Arts.

The FY 1987 appropriated request will enable the commission to expand various grant programs including grant-in-aid, special constituencies, technical assistance, and the summer program. The proposed increase will also provide funds to establish a new category of grant support for design arts, and it will allow increases in the number of grant awards and the average grant amounts.

This request will also permit the commission to begin four new programs consisting of an Arts Festival program, Arts in Public Housing (Mural) program, Arts in Public Places, and a Folk Arts program. These programs will meet the increased needs of the District's growing professional arts community. Additionally, this request will allow the commission to establish three new positions to support the increased workload of the agency.

Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, supplies and equipment for the new positions and the inflationary cost of communications.

The commission receives federal grants from the National Endowment for the Arts which reflect a slight increase for FY 1987.

As shown in the following budget summary, the FY 1987 appropriated budget for the Commission on Arts and Humanities is $2,368,000 and 11 positions, an increase of $695,000 and three positions over the FY 1986 budget. The federal funds for FY 1986 are $443,000, an increase over FY 1985 of $11,000 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	8	1,198	8	1,673	11	2,368
Federal	5	361	5	432	5	443
Other	0	5	0	0	0	0
Total Expenditures	13	1,564	13	2,105	16	2,811

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Grants-In-Aid program awards......	90	96	108
(2) Summer program awards.............	12	9	12
(3) Grants to major institutions......	0	11	11

Table IV-6
HUMAN SUPPORT SERVICES: FY 1985-1987
($ thousands)

	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	898,044	973,029	1,030,984
District Funds	564,932	614,347	654,315
Federal Funds	284,206	301,973	318,304
Other Funds	48,906	56,709	58,365
OPERATING BUDGET DETAIL BY AGENCY:			
Department of Human Services:	684,362	806,594	853,053
District funds	411,997	511,576	541,241
Federal grants	270,431	289,132	307,178
Other funds	1,934	5,886	4,634
Department of Human Services: Financing Pay-As-You-Go Capital	--	--	298
District funds	--	--	298
Department of Recreation:	24,647	26,560	28,661
District funds	23,693	25,412	27,663
Federal grants	97	150	--
Other funds	857	998	998
Office on Aging:	10,469	12,110	14,464
District funds	6,240	7,665	10,350
Federal grants	4,227	4,443	4,112
Other funds	2	2	2
D. C. General Hospital:	91,187	98,008	103,675
District funds	45,500	48,350	50,930
Federal grants	104	121	121
Other funds	45,583	49,537	52,624
St. Elizabeths Hospital:	55,207	--	--
District funds	55,207	--	--
Unemployment Compensation:	3,162	5,207	3,207
District funds...............	3,162	5,207	3,207
Disability Compensation:	14,406	11,000	13,800
District funds	14,406	11,000	13,800
Office of Human Rights:	1,489	1,712	1,836
District funds	1,323	1,349	1,473
Federal grants	166	363	363
Office on Latino Affairs:	359	385	1,911
District funds	359	385	1,911
Commission for Women:	137	191	204
District funds	137	191	204
D.C. Energy Office:	12,619	11,262	9,875
District funds	2,908	3,212	3,238
Federal grants	9,181	7,764	6,530
Other funds	530	286	107

DEPARTMENT OF HUMAN SERVICES

The mission of the Department of Human Services (DHS) is to provide social, economic, and health support services for those in need. To accomplish its mission, the department is organized into three major units: the Executive Direction and Support Offices, the Commission of Public Health and the Commission of Social Services.

In FY 1987, DHS will again make as its highest priority the provision of direct services that provide basic support and enhance the quality of life for citizens. The overall goal is to make it possible for those temporarily unable to provide for themselves to move to greater self-sufficiency and self-reliance, and to offer continuing help for those who must have permanent assistance.

The FY 1987 appropriated budget request includes funding to implement Phase I of a single, comprehensive mental health delivery system consistent with the terms of the St. Elizabeths Hospital and District of Columbia Mental Health Service Act of 1984. Under this Act, the District will assume full responsibility for providing mental health services for persons now served by the federally operated St. Elizabeths Hospital by October 1, 1987.

Funding is also included for families in need of financial assistance, including a 4 percent increase in the benefit payment for AFDC and GPA recipients, 105 new day care slots in the Hispanic community and 122 slots for AFDC mothers participating in the Work Alternative Program. Funds to increase the number of emergency assistance grants by 600 are also provided.

To continue prevention and rehabilitation efforts for the chemically dependent and their families, funding is included to operate three comprehensive drug treatment clinics. These clinics will reduce waiting time for volunteer patients seeking treatment and will allow for expansion of the urine surveillance program. Increased funding is also requested to expand the utilization and availability of existing community-based, drug-free therapeutic residential programs to treat persons with substance abuse problems.

Funding is also provided to implement a comprehensive Acquired Immune Deficiency Syndrome (AIDS) health-care response plan for the District. These funds will establish an Office of AIDS Coordination and increase support to actual or potential AIDS patients through detection, education, and prevention training.

FY 1987 OPERATING BUDGET

To enhance services to the homeless, funding is included to increase the number of contracted shelter beds and to provide mental health services for the homeless.

Increased funding is also included in the Medicaid Program for expansion of skilled nursing and intermediate care beds and for inpatient rehabilitative care. Funds are requested to continue the placement of mentally-retarded and developmentally-disabled persons in community-based settings, and for assessment, training and transportation for these clients.

Special education and vocational training for delinquent youth, and increased in-home and aftercare services to help prevent continued delinquency are also funded in this budget request. This budget also contains funds to expand the scope of services for bilingual and bicultural initiatives.

Seventeen permanent positions are requested for the Latino Initiative to provide health and social services to the Latino community including day care, maternal and child health, health education, nutrition, and services to the handicapped. Funding for the positions will be provided through an intra-District sales agreement with the Office on Latino Affairs.

Funds are requested for the 4 percent FY 1987 pay adjustment, within-grade increases and the inflationary cost of communications.

The department receives nonappropriated federal funds for medicaid, aid to families with dependent children, foster care, vocational rehabilitation, paternity and child support enforcement, the women, infant and children program (WIC), and block grants.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Department of Human Services is $541,241,000 and 3,524 positions, an increase of $29,665,000 and 65 positions over FY 1986. Nonappropriated funds are estimated to be $311,812,000 including funding for 2,495 positions for FY 1987.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	3,342	411,997	3,459	511,576	3,524	541,241
Federal	2,284	270,431	2,462	289,132	2,480	307,178
Other	13	1,934	13	5,886	15	4,634
Total Expend.	5,639	684,362	5,934	806,594	6,019	853,053

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Medicaid recipients...........	97,805	98,000	98,000
(2) Average monthly AFDC caseload (families).............	22,472	21,800	21,300
(3) Nights of shelter provided for homeless persons (overnight stays)...............	217,317	318,915	325,294

DEPARTMENT OF HUMAN SERVICES

Financing Pay-As-You-Go Capital Projects

Funding is provided for the third year financing of Project H85, Major Roof Rehabilitation or Replacement of various Human Services facilities. The project was authorized in FY 1985 at $1,000,000 to be financed from general fund revenues, $224,000 in FY 1985, $478,000 in FY 1986, and $298,000 in FY 1987. This represents the third year and final financing of this project and is reflected as an expenditure in FY 1987.

As shown in the following budget summary, the FY 1987 Department of Human Services appropriated request for pay-as-you-go capital projects is $298,000 and no positions, an increase of $298,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	0	0	0	0	298
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	298

DEPARTMENT OF RECREATION

The Department of Recreation, established pursuant to Public Law 77-534, in 1942, is responsible for providing a comprehensive recreation program for all the residents of the District from preschoolers to senior citizens. These include cultural programs; specialized recreational programs; programs for the physically handicapped, mentally retarded, mentally ill, delinquent-prone youth, and senior citizens, and day care services for low-income families.

The FY 1987 appropriated budget request continues the department's effort to enhance its programs. Some of the priorities in FY 1987 are to expand the Potomac Riverfest, and enhance programs for Senior Citizens, Roving Leaders, Therapeutic Recreational Services and maintenance of recreation facilities.

Additional staffing and program costs are also requested for: (1) the aquatics program, (2) the resident camp, (3) the arts program, (4) recreational centers and playgrounds, and (5) unfunded summer positions for special programs.

Two permanent positions are requested for the Latino Initiative to expand the Spanish language information dissemination on recreational programs and to ensure access to such programs for the Latino community. Funding for the positions will be provided through an intra-District sales agreement with the Office on Latino Affairs.

Other increases include funding for the FY 1987 pay adjustment, annualization of positions approved in the FY 1986 budget, funding for within-grades, maintenance and repair of vehicles, and inflationary cost of communications.

The department is not expected to receive federal funds in FY 1987. Private funds are expected from the United Planning Organization for the 20 Neighborhood Planning Councils. Other funds include fees and collections from recreational activities, U.S. Youth Games, D.C. Marathon, and donations from individuals and corporations.

As shown in the following budget summary, the FY 1987 appropriated budget for the Department of Recreation is $27,663,000 and 566 positions, an increase of $2,251,000 and 40 positions over FY 1986. The nonappropriated budget is $998,000 and three positions, a decrease of $150,000 from FY 1986 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	487	23,693	526	25,412	566	27,663
Federal	0	97	0	150	0	0
Other	3	857	3	998	3	998
Total Expenditures	490	24,647	529	26,560	569	28,661

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of swimming pools..........	44	44	45
(2) Number of recreation centers			
Centers year-round................	108	109	109
Seasonal..........................	11	6	6
(3) Number of senior citizens and adult centers....................	15	15	19

OFFICE ON AGING

The Office on Aging was created by D.C. Law 1-24 to develop a comprehensive system of health and social services for the District's elderly and to administer the provisions of the Older Americans Act, P.L. 89-73. D.C. Law 1-24, as amended, also established the Commission on Aging, a citizens advisory group to advise the Executive Director of the Office of Aging, the Mayor, and the Council of the District of Columbia on the needs and concerns of senior Washingtonians. Through a Senior Service Network of 40 community-based agencies, the office oversees 15 multipurpose senior centers, 7 nutrition projects operating 80 nutrition sites, 6 geriatric assessment and case management sites, 7 geriatric day care programs, 3 local ombudsman programs, 3 specialized programs for the blind and hearing impaired, 1 Senior Wellness Center, and citywide homemaker, home health, and transportation programs to serve a total of 104,000 eligible users. The Office also oversees the Washington Center for Aging Services, a skilled nursing and intermediate care facility.

The FY 1987 Appropriated budget request continues the priority of providing human support needs to those District residents 60 years of age and older. An increase of over $1 million is requested for two new multipurpose senior centers in wards 7 and 8; in-home health services, five new nutrition sites and seven new buses for the Washington Elderly and Handicapped Transportation Services.

In addition to these vital programs, increased funds are also requested to offset the increased cost of service providers, due mainly to the decline in federal grant allocations in FY 1987. Funding for four new positions is requested to meet the additional workload requirements. Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary cost of communications.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office of Aging is $10,350,000 and 16 positions, an increase over FY 1986 of $2,685,000 and 4 positions. The nonappropriated budget is $4,114,000, a decrease of $331,000 below the FY 1986 level, with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	12	6,240	12	7,665	16	10,350
Federal	15	4,227	15	4,443	15	4,112
Other	0	2	0	2	0	2
Total Expenditures	27	10,469	27	12,110	31	14,464

FY 1987 OPERATING BUDGET

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Congregate meals................	821,517	862,592	879,844
(2) Home delivered meals............	257,225	268,395	273,763
(3) Transportation escort service...	345,948	359,968	377,966

D.C. GENERAL HOSPITAL PAYMENT

D.C. General Hospital (DCGH), established pursuant to D.C. Law 1-34, the D.C. General Hospital Commission Act, is the District's only public hospital. The hospital provides inpatient, outpatient, emergency, diagnostic, preventive, and rehabilitative services. In addition, the 500-bed hospital serves as a comprehensive acute care hospital for federal and District government-supported, long-term care facilities and for individuals incarcerated by the D.C. Department of Corrections.

The District government's financial support for the hospital has been vital in ensuring that no resident is refused care because of an inability to pay. To put that support on a fiscally sound and accountable basis, however, the hospital and the Mayor's office recently agreed to replace the negotiated lump-sum subsidy payment method used in the past with a new billing system. Under the new method, the District will provide reimbursement to the hospital for actual services provided to the indigent on a per-patient payment rate and for nonpatient care services rendered to other District agencies on a unit cost rate. In previous years, payment from the District government for such services was not related to the number of indigent patients using the hospital, nor was it based on detailed case-by-case information of actual services rendered.

This new billing system is intended to increase the hospital's productivity and contain rising costs. The system will identify losses from federal health-care programs and other third party payors. It is expected that those losses will be offset as much as possible by improved revenue collections and more adequate patient financial classification. The new billing system, with its attendant fiscal safeguards and detailed patient-care data, should aid the District and the hospital in attaining optimum use of resources.

The FY 1987 appropriated budget request is aimed at compensating D.C. General Hospital for the actual cost of indigent care, net of patient reimbursement, and for cost of providing nonpatient care services to District agencies. The subsidy payment will be adjusted as actual costs are determined. Full implementation of the billing system, currently on a trial basis in FY 1986, will be effective in FY 1987.

FY 1987 BUDGET REQUEST

As shown in the following budget summary, the FY 1987 appropriated budget request for D.C. General Hospital is $50,930,000 an increase of $2,580,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	45,500	0	48,350	0	50,930
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expend.	0	45,500	0	48,350	0	50,930

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Patient days....................	125,146	126,795	126,795
(2) Average length of stay.........	8.7	8.7	8.7
(3) Emergency room cases...........	82,353	82,500	82,500

ST. ELIZABETHS HOSPITAL PAYMENT

The St. Elizabeths Hospital and District of Columbia Mental Health Services Act of 1984, P.L. 98-621, and Mayor's Order 84-196, provide for the assumption of selected functions, programs, and resources of St. Elizabeths Hospital by the District government. The legislation provides for the establishment of a comprehensive mental health care system in the District. Accordingly, in FY 1986 and FY 1987, funds for the St. Elizabeths Hospital Payment are included in the Department of Human Services in order to establish a comprehensive mental health system.

As shown in the following budget summary, the FY 1986 and FY 1987 appropriated budget reflects the inclusion of funds for the payment in the budget of the Department of Human Services.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	55,207	0	0	0	0
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	55,207	0	0	0	0

UNEMPLOYMENT COMPENSATION FUND

The Unemployment Compensation Fund, a statutory program pursuant to D.C. Code, Sec. 46-301 et seq., provides for mandatory unemployment compensation to eligible former District government employees during periods of unemployment. Benefit payment costs for claimants are legally mandated spending and are nondiscretionary. Payment amounts and the duration of total benefits paid for claimants are legally established and fixed administratively. The Department of Employment Services, through the Office of Unemployment Compensation, is responsible for administering this program while the D.C. Office of Personnel is responsible for the review of claimant costs.

The FY 1987 appropriated budget request provides for the payment of claims in accordance with current law. A moderate decrease in the number of claimants compensated is projected at 2,000, a slight decrease from the revised FY 1986 projection of 2,100. The maximum weekly benefit amount will remain at $250, and the average weekly claim amount is estimated at $134 with an average 12 weeks paid per claimant.

Based on the revised projected number of claimants for FY 1986, from 3,000 to 2,100, the FY 1986 budget level will be adjusted to approximately $3,466,000. The revised FY 1986 projection for claimants compensated is primarily a result of the provisions of the Social Security Act Amendments of 1983 (P.L. 98-21), as it relates to eligibility criteria for seasonal workers of educational institutions who have received reasonable assurance from the employer of reemployment after the summer recess.

As shown in the following budget summary, the FY 1987 appropriated budget request for Unemployment Compensation is $3,207,000, a decrease of $2,000,000 from the FY 1986 budget.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	3,162	0	5,207	0	3,207
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	3,162	0	5,207	0	3,207

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Claimants compensated.............	2,328	2,100	2,000
(2) Maximum weekly benefits...........	$206	$250	$250
(3) Average weekly claim amount.......	$103	$131	$134

DISABILITY COMPENSATION FUND

The Disability Compensation Fund is a statutory program established pursuant to Title XXIV of the District of Columbia Comprehensive Merit Personnel Act, D.C. Law 2-139. The fund provides District government employees injured on the job with workers' compensation, including medical care, compensation for disability, and survivors' compensation. The Department of

Employment Services, through the Division of Disability and Crime Compensation and the Employee Compensation Appeals Board, is responsible for administering this program.

The department estimates that new claims for reported injuries will remain fairly constant in FY 1987, and that the average number of persons compensated biweekly will decrease slightly. The agency has instituted a number of administrative improvements and increased operational controls that will continue to be enhanced in FY 1986 and FY 1987. The request for FY 1987, which represents a decrease of $606,000 from the FY 1985 expenditure level, reflects the agency's firm commitment to contain the mandated compensation costs of the fund through effective and efficient administration.

As shown in the following budget summary, the FY 1987 budget request for Disability Compensation is $13,800,000, an increase of $2,800,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	14,406	0	11,000	0	13,800
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	14,406	0	11,000	0	13,800

PROGRAM MEASURES	FY 1984	FY 1985	FY 1986
(1) New claims......................	3,956	3,900	3,900
(2) Average number of biweekly claimants.......................	618	610	590

OFFICE OF HUMAN RIGHTS

The Office of Human Rights operates under the legal mandates of Title VII of the Civil Rights Act of 1964 and the D.C. Human Rights Act of 1977, D.C. Law 2-38, as amended, to eliminate unlawful discrimination in employment, housing, public accommodations, educational institutions and contract compliance for the private sector, as well as, for District government employees.

The office reviews, approves and monitors equal employment opportunities provided by contractors with contracts totaling $10,000 or more, and the affirmative action plans of all District department and agencies. The office also has the authority to enforce affirmative action by banks, savings and loan associations and the cable television industry. The Commission on Human Rights, an independent body, conducts public hearings to resolve private sector cases in which the Office of Human Rights has found probable cause that discrimination exists and conciliation efforts have failed.

The FY 1987 appropriated budget request provides increased funding and positions to maintain the current level of services as in FY 1986 for both the office and the commission. Funding is provided for two unfunded positions, and two positions previously funded with federal funds. Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, and the printing of the commission news letter and the inflationary cost of telephones and printing. A position and funding has been transferred to the Office of Emergency Preparedness to assist the Director in developing, administering, monitoring and revising the Affirmative Action Plan.

The FY 1987 nonappropriated budget represents federal grant funding from the Equal Employment Opportunity Commission to investigate allegations of employment discrimination.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Office on Human Rights is $1,473,000 and 51 positions, an increase of $124,000 over FY 1986 with no change in positions. The FY 1987 federal funds budget is $363,000, the same as FY 1986, and a decrease of two positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	51	1,323	51	1,349	51	1,473
Federal	9	166	9	363	7	363
Other	0	0	0	0	0	0
Total Expenditures	60	1,489	60	1,712	58	1,836

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Complaints received..............	384	452	527
(2) Complaints closed................	532	549	576
(3) End-of-year active caseload.......	362	265	216

OFFICE ON LATINO AFFAIRS

The Office on Latino Affairs, established pursuant to D.C. Law 1-86, together with the D.C. Commission on Latino Community Development, is responsible for providing a full range of health, education, employment and social services to the Spanish-speaking residents of the District of Columbia.

The District's Latino population has increased dramatically during the past five years. Conservative estimates indicate that the population has more than doubled since 1980 and could be as high as 70,000, or approximately 10 percent of the District's population. This increase can be attributed to an influx of immigrant families, mainly from Central America and a high birth rate among Latino residents.

In consultation with the leadership of the Latino community, the FY 1987, appropriated budget provides funding for a Latino Initiative to expand the District's capacity to provide bilingual services to this rapidly growing population through ten direct service delivery agencies. During FY 1987, the initiative will be funded through an increase in the budget of the Office on Latino Affairs, which will coordinate and monitor expansion of bilingual services through intra-District agreements with these ten key agencies. The positions to provide these services are requested as permanent positions in the ten key agencies in FY 1987 with funding for the positions to become part of the budgets of these ten agencies in the future.

The services to be provided by these ten agencies include (1) bilingual capability to offer a wide variety of health and social services by the Department of Human Services; (2) bilingual personnel for the Roving Leader Program and other specialized recreation programs by the Department of Recreation; (3) bilingual staff to ensure 24-hour Spanish-speaking capability for the 911 emergency response services by the Police Department and the telephone dispatcher service by the Fire Department; (4) training program for spanish-speaking residents by the Department of Employment Services; (5) business assistance services to the Latino community by the Office of Business and Economic Development and the Minority Business Opportunity Commission; (6) bilingual staff to provide assistance in understanding and complying with licensing and other regulations by the Department of Consumer and Regulatory Affairs; (7) bilingual interpreting and legal assistance involving Spanish-speaking residents by the Civilian Complaint Review Board; and (8) bilingual assistance to Latino businesses to ensure equal access to procurement and contracting opportunities by the Department of Administrative Services.

In addition, the Office of Latino Affairs will expand its own capacity in FY 1987 to assist government and private agencies in delivering services by establishing a citywide Latino data bank to gather data for use in planning and program evaluation and by implementing a comprehensive bilingual public education program geared to increasing the self-sufficiency of Latino residents. Funds are also provided for the 4 percent FY 1987 pay adjustment and within-grade requirements.

FY 1987 OPERATING BUDGET

As shown in the following budget summary, the FY 1987 budget request for the Office on Latino Affairs is $1,911,000 and seven positions, an increase over FY 1986 of $1,526,000 with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	7	359	7	385	7	1,911
Federal	0	0	0	0	0	0
Otner	0	0	0	0	0	0
Total Expenditures	7	359	7	385	7	1,911

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Community groups provided assistance........................	150	175	225
(2) Translations completed............	250	400	900
(3) Referrals for services............	300	500	600

COMMISSION FOR WOMEN

The D.C. Commission for Women, established by D.C. Law 2-109, the Commission for Women Act of September 22, 1978, conducts studies of socio-economic issues that affect women and their families, such as homeless women, families in poverty, and women ex-offenders. The commission comments on procedures and activities that influence the ability of women to manage in the work place, or in the home. The commission provides an avenue for women's groups and organizations to address important issues and to improve the status of women in the District of Columbia.

The commission consists of 21 members who represent the District's eight wards. The members are appointed by the Mayor and confirmed by the Council, and serve three year terms without compensation. The Commission meets monthly on priority concerns for the year, takes appropriate action, and prepares an annual report to the Mayor.

The FY 1987 appropriated budget request will enable the commission to maintain and sustain its activities commensurate with its goal of improving the status of women in the District. The conversion of two temporary positions to permanent positions is requested to enable the commission to continue to identify job and skill training opportunities and human support services for women ex-offenders and apprenticeship opportunities and skills training for incarcerated women. Research activities will be conducted on the health and physical needs of homeless women.

Funding is also provided for the 4 percent FY 1987 pay adjustment, within-grade requirements, office supplies, office equipment and the inflationary cost of communications.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Commission for Women is $204,000 and six positions, an increase of $13,000 and two positions above the FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	4	137	4	191	6	204
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	4	137	4	191	6	204

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Business development guide for women........................	100	200	225
(2) Employment and training opportunities in the District..........	50	200	224
(3) Women benefiting from self-help in job search opportunities.......	12	25	30

D.C. ENERGY OFFICE

The District of Columbia Energy Office was established by D.C. Law 3-132, the Office of Energy Act of 1980, to coordinate the energy activities occurring in the District of Columbia. The office prepares energy plans, identifies energy issues, prepares energy supply and demand forecasts, develops energy conservation and renewable energy resource programs, prepares energy emergency contingency plans, and participates in various proceedings before the Public Service Commission.

The FY 1987 appropriated budget includes additional funding for three temporary positions to assist in the workload requirements of the Complementary Energy Assistance Program. Other increases include funding for the 4 percent FY 1987 pay adjustment, within-grade requirements, and the inflationary increase in communications.

Federal and Other funds are expected to remain at the same level as FY 1986. The Office on Energy receives grants for the State Energy Conservation Program, the Energy Extension Service, the Institutional Conservation Program and the Low Income Home Energy Assistance Program.

FY 1987 OPERATING BUDGET

As shown in the following budget summary, the FY 1987 appropriated budget for the Energy Office is $3,238,000, and 10 positions, an increase of $26,000 and no change in positions over FY 1986. The FY 1987 federal budget and other funds is $6,637,000 and 41 positions, a decrease of $1,413,000 below FY 1986, with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	2,908	10	3,212	10	3,238
Federal	37	9,181	37	7,764	37	6,530
Other	4	530	4	286	4	107
Total Expenditures	41	12,619	51	11,262	51	9,875

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Low-Income Home Energy Assistance Program clients served...........	23,200	25,600	26,800
(2) CEAP average monthly caseload....	2,551	2,815	3,500
(3) Energy bank grant loans..........	500	500	500

Table IV-7
PUBLIC WORKS: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	207,891	212,189	219,997
District Funds	191,838	193,741	204,748
Federal Funds	9,893	9,742	8,200
Other Funds	6,160	8,706	7,049
OPERATING BUDGET DETAIL BY AGENCY:			
Department of Public Works:	101,385	103,793	111,017
District funds	93,138	93,151	102,012
Federal grants	2,087	1,936	1,956
Other funds	6,160	8,706	7,049
Washington Metropolitan Area Transit Commission:	87	90	86
District funds	87	90	86
Washington Metropolitan Area Transit Autnority:	102,494	104,306	104,744
District funds	94,688	96,500	98,500
Federal funds	7,806	7,806	6,244
School Transit Subsidy:	3,925	4,000	4,150
District funds	3,925	4,000	4,150

DEPARTMENT OF PUBLIC WORKS

The Department of Public Works, established pursuant to Reorganization Plan Number Four of 1983, is responsible for maintaining the District's physical infrastructure, collecting and disposing solid waste, administering motor vehicle regulations, and maintaining all of the District's vehicles and equipment except those of the departments of Police, Fire and Corrections.

The department is specifically responsible for the District's 1,157 miles of roadway, 283 bridges; 496 acres of green space; 1,275 signalized intersections; 66,000 streetlights; 15,000 parking meters; 292,000 registered vehicles; 370,000 licensed drivers; 1,800 miles of sewer pipes; 1,287 miles of water pipes; 121,000 water meters; 30 million square feet of office space, and 2,960 vehicles and items of equipment.

One of the top priority programs in FY 1987 is to provide increased resources for street and sidewalk cleaning in the downtown central core of the District.

Other program enhancements funded in FY 1987 include: (1) upgrading the tree maintenance program to eliminate backlogs in tree trimming, and removal and replacement of dead trees, as well as establishing a base program which will prevent future backlogs; (2) increased resources to repair and maintain bridges; (3) increased parking enforcement in Residential Parking Permit areas; (4) replacement of illegible and damaged street signs; (5) increased towing of illegally parked vehicles (6) extension of the prison work release program and (7) increased funding for the second year of the sidewalk maintenance program.

In the area of revenue generation, funding has been requested to enhance the Residential Parking Permit and towing programs mentioned above, as well as overtime for nighttime and weekend parking enforcement. At current rates, the additional revenue related to these increases is estimated to be $4.5 million in FY 1987 and $5.3 million each year thereafter. Other increases include funding the annualized cost of positions approved in the FY 1986 budget, the 4 percent FY 1987 pay adjustment, within-grade requirements, temporary positions for motor vehicle related services and the inflationary cost for communications.

The nonappropriated funds consist of federal grants for highway planning, research and safety, and revenues from the reimbursements for utility street cut repairs.

The FY 1987 appropriated budget request for the Department of Public Works is $102,012,000 and 1,901 positions, an increase of

$8,861,000 and 6 positions over FY 1986. The FY 1987 nonappropriated budget is $9,005,000 and 100 positions, a decrease of $1,637,000 and ten positions below the FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1,846	93,138	1,895	93,151	1,901	102,012
Federal	37	2,087	37	1,936	36	1,956
Other	81	6,160	73	8,706	64	7,049
Total Expend.	1,964	101,385	2,005	103,793	2,001	111,017

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Tons of refuse disposed..........	627,056	640,000	640,000
(2) Parking meters in place..........	13,425	14,500	15,000
(3) Building repairs completed.......	2,603	2,400	2,400

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

The Washington Metropolitan Area Transit Commission began operation in March 1961, and was established pursuant to the Washington Metropolitan Area Transit Regulation Compact, Public Law 86-794, of 1960, and by Resolution of the Board of Commissioners of the District of Columbia, Acts of the General Assembly of Maryland, and Acts of the Assembly of Virginia. The Commission serves the Washington Metropolitan Area Transit District which embraces the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax, and political subdivisions of the State of Virginia located within those counties and that portion of Loudoun County, Virginia, occupied by the Dulles International Airport. It also includes the counties of Montgomery and Prince George's in the State of Maryland.

The Transit Commission exercises jurisdiction over the transportation of passengers for hire between points in the Washington Metropolitan Transit District when that transportation is provided by privately owned carriers. The Washington Metropolitan Area Transit Commission's total budget request for FY 1987 is $387,000. Based on the proportion that the District's population bears to the total population of the Metropolitan area, the District's share is equal to 22.25 percent or $86,000. Thus, the FY 1987 appropriated budget request as shown in the following budget summary, is $86,000, a decrease of 4,000 from FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	87	0	90	0	86
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	87	0	90	0	86

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The Washington Metropolitan Area Transit Authority (WMATA) is responsible for providing safe and reliable public transportation to the Washington region. The Authority was created in 1967 through an interstate compact among the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. WMATA has been charged with the responsibility of operating an integrated passenger bus and rapid rail transportation system within the Washington metropolitan area transit zone. The Authority's responsibilities include the following: the development and operation of the Metrobus and Metrorail systems; the planning and construction of a 103-mile Metrorail system; the establishment of recommended fares; and the determination of funding sources for the various programs. During FY 1987 the Authority is expected to provide over 249,000,000 Metrorail and Metrobus passenger trips in the Washington metropolitan area.

The FY 1987 appropriated budget request represents the District's share of the Authority's operating subsidies for Metrobus operations, Metrorail operations, Metrorail debt service, and rail construction management. The proposed level is consistent with prior spending patterns; represents the anticipated impact of Metrorail subsidy share changes as a result of the opening of major segments outside of the District; and reflects the actual net cost in FY 1987 after annual audit adjustments which have provided $3.6 million credits for the District in the last few years have been taken into account.

As shown in the following budget summary, the FY 1987 appropriated budget for WMATA is $98,500,000 an increase of $2,000,000 over the FY 1986 level. The FY 1987 nonappropriated budget is $6,244,000. This represents a decrease of $1,562,000 or 20 percent below the anticipated FY 1986 level.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	94,688	0	96,500	0	98,500
Federal	0	7,806	0	7,806	0	6,244
Other	0	0	0	0	0	0
Total Expenditures	0	102,494	0	104,306	0	104,744

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Total bus passengers (thousands, bus & rail)..........	127,300	131,100	132,117
(2) Total rail passengers............	101,045	105,100	117,000
(3) Cost per bus passenger...........	$1.78	$1.79	$1.84

SCHOOL TRANSIT SUBSIDY

The School Transit Fare Act of 1981, D.C. Law 4-33, provides a subsidy for the reduced Metrobus and Metrorail fares of school children residing in the District of Columbia. The School Transit Subsidy program is offered in place of the more familiar yellow school buses. D.C. Law 4-33 requires that the student not only reside in the District but be under 19 years of age, be enrolled in a public, private, or parochial school in the District of Columbia; and need to use Metrobus or Metrorail for travel to and from school and to and from related educational activities in the District.

The appropriated budget request for FY 1987 will assure that a subsidy payment is available for every legitimate student trip on Metro. In particular, provision has been made for transportation subsidies for students attending summer school programs and approved extracurricular activities during weekends and evenings.

It is estimated that student ridership on Metrobus will remain similar to that for FY 1986 at 6,500,000 trips. However, student travel on Metrorail is expected to rise slightly to 900,000 trips with an attendant increase in the average trip length. This change in rail ridership is covered by the expanding network of rail stations and an increasing familiarity with the rail system that affords students the opportunity to commute to school by rail rather than by bus. It should also be noted that unlike the bus system with a flat rate zone fare, the rail fares vary by distance travelled. Consequently the subsidy on metrorail is not only a function on the number of student trips but also reflects the trip's length.

As shown in the following budget summary, the FY 1987 budget request for School Transit Subsidy is $4,150,000, an increase of $150,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	3,925	0	4,000	0	4,150
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	3,925	0	4,000	0	4,150

FY 1987 OPERATING BUDGET

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Number of student trips on Metrobus..................	6,651,000	6,500,000	6,500,000
(2) Trips on Metrorail........	848,000	875,000	900,000
(3) Subsidy differential between student fare and regular adult fare.................	$.55	$.55	$.55
(4) Student fare (metrorail and metrobus)	$.25	$.25	$.25

Table IV-8
FINANCING AND OTHER USES: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	216,932	219,061	223,206
District Funds	216,932	219,061	223,206
Federal Funds	--	--	--
Other Funds	--	--	--
OPERATING BUDGET DETAIL BY APPROPRIATION TITLE:			
Washington Conv. Center Transfer:	6,930	8,371	6,261
District Funds	6,930	8,371	6,261
Repayment of Loans and Interest:	189,090	198,409	204,514
District Funds	189,090	198,409	204,514
General Fund Deficit:	24,926	20,000	8,675
District Funds:			
Budgeted	10,100 1/	5,000	8,675
Unbudgeted	14,826 1/	15,000 1/	--
Short-Term Borrowings:.........	3,750	3,750	3,750
District Funds	3,750	3,750	3,750
Inaugural Expenses:	1,975	--	--
District Funds	1,975	--	--
Pay-as-you-go Capital:	5,087	3,531	--
District Funds	5,087	3,531	--

1/ This is not an expenditure, but rather the difference between revenues and expenditures at year-end. It is shown here for information purposes.

WASHINGTON CONVENTION CENTER - TRANSFER PAYMENT

In accordance with D.C. Law 2-58, site acquisition costs and operating costs of the center were paid from special Hotel Occupancy Tax revenue, and business franchise taxes. By law, 40 percent of the Hotel Occupancy tax is dedicated to the promotional activities of the convention center, Washington Convention and Visitors Association, and D.C. Committee to Promote Washington

The District's audited financial statements include the revenue from the convention center-dedicated taxes in the General Fund and have shown a transfer-out of the subsidy to the Washington Convention Center Enterprise Fund. The financial statements of the convention center have shown this subsidy as a transfer-in and these funds, plus the funds generated from building rental, exhibitor services, communications, concessions, and interest earnings are used to operate the convention center. As the District's independent auditors have recommended, the transfer-out to the convention center is budgeted in the General Fund.

The requested FY 1987 funding will finance the difference between the convention center's estimated FY 1987 operating revenue of $4,346,000 and its spending needs of $10,607,000. A complete discussion of the relationship between this subsidy and the center's financing is in the convention center financial plan in Chapter 6 of the FY 1987 Operating Budget. A complete description of the administrative costs and uses for the proposed $6,261,000 is included in the Enterprise Fund section of the District of Columbia FY 1987 Supporting Schedules. A primary objective for FY 1987 will be to continue the high rate of repeat bookings for national events held at the center while closing the gap between the convention center's operating revenue and operating expenses.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Washington Convention Center transfer payment is $6,261,000, a decrease from FY 1986 of $2,110,000. No authorized positions are contained in the request. Funds for the purchase of the kitchen equipment in FY 1986 are nonrecurring and have been reduced from the base.

Excluding the Hotel Occupancy Tax transfer-in for the convention center, the Washington Convention and Visitors Association, and the D.C. Committee to Promote Washington, the transfer-in amount required to support the operational activities of the convention center and promotional activities of the D. C. Chamber of

Commerce is $4,152,000. The transfer-in required for convention center expenditures less the D.C. Chamber of Commerce expenditures is $3,927,000.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	6,930	0	8,371	0	6,261
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	6,930	0	8,371	0	6,261

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Out-of-town delegates......	283,200	248,100	219,800
(2) Tax impact on the General Fund (thousands)...........	$56,565	$57,856	$59,007
(3) Net benefit to the general fund (thousands)............	$39,755	$39,167	$40,401

REPAYMENT OF LOANS AND INTEREST

The Repayment of Loans and Interest provides funds for cash outlays for debt service on the District's long-term borrowing to finance capital project expenditures, a portion of amortized costs for private hospital and St. Elizabeth's Hospital construction, and interest on U.S. Treasury loans to the Unemployment Compensation Trust Fund.

It is estimated that general obligation bonds will be sold during FY 1986 to repay $327,139,000 in eight outstanding, high-interest U.S. Treasury notes and to provide for approximately $167,000,000 in additional capital project expenditures for the rest of the fiscal year and early FY 1987. In FY 1987 general obligation bonds are planned for sale in December 1986 and June 1987 to finance $214,065,000 in capital expenditures through early FY 1988. The FY 1987 budget request assumes that the FY 1987 interest on the December 1986 borrowing will be covered by bond proceeds and the first debt service payment on the June 1987 borrowing will not be due until FY 1988.

In 1985 the District repaid $277,337,000 for seven outstanding high-interest U.S. Treasury notes by using the proceeds from the sale of two general obligation bond issues. This refinancing and the further refinancing planned for FY 1986 will reduce the FY 1987 debt service on Treasury notes by $60 million from the FY 1986 levels. Debt service on general obligation bonds will increase $66 million: a $49 million increase for the refunding bonds and a $17 million increase for the new capital issues. Total debt service on long-term debt is estimated at $201,722,000 for FY 1987.

In FY 1983, the U.S. Treasury began charging the Unemployment Compensation Trust Fund for Treasury cash advances necessitated by shortfalls in employers' contributions. Although the principal on these loans is being repaid by reduced credits on the federal taxes paid by employers in the District, the District's General Fund is liable for the interest. The economic recovery has ended the need for further interest payments.

The District's share of the amortization of private hospital construction costs will stay the same as FY 1986, $548,000. The contribution for St. Elizabeths Hospital construction will increase by $467,000 to $2,565,000 because several large construction projects are reaching completion.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Repayment of Loans and Interest is $204,514,000, a net increase of $6,105,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	189,090	0	198,409	0	204,514
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	189,090	0	198,409	0	204,514

REPAYMENT OF GENERAL FUND DEFICIT

In FY 1980, the District's financial results were reported according to generally accepted accounting principles (GAAP). The first GAAP-based financial report, however, revealed an accumulated General Fund operating deficit of $378 million at the close of FY 1980. This meant that the General Fund's accrued liabilities from past years exceeded its current assets by $378 million. That amount, equal to 22 percent of General Fund revenues for FY 1980, concerned District financial managers because of its negative effect on the District's cash reserves and its potential to damage the District's credit worthiness.

Although there are several explanations for the deficit, the most important one stems from the District's pre-home rule legal and fiscal status. The continuing implementation of the Home Rule Charter combined with improved financial management has resulted in effective deficit-reduction.

From FY 1982 to FY 1985 the deficit repayment was a budget item, notwithstanding the fact that deficit reduction is not an expenditure, but instead a planned excess of revenues over expenditures. In FY 1986, $5 million was budgeted for this purpose, but the appropriations language approved by the appropriations subcommittees requires the District to produce a $20 million excess of revenue over expenditures for the year. This is $15 million over the budgeted amount. Since there will be no associated expenditure, the budget amount plus the additional requirement of $15 million necessitates that the District end the fiscal year with revenues exceeding expenditures by $20 million.

The FY 1987 appropriated budget request for the Repayment of the General Fund Deficit is $8,675,000, and as shown in the following budget summary, it represents an increase of $3,675,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	24,926 1/	0	5,000	0	8,675
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	24,926 1/	0	5,000	0	8,675

1/ Includes $10,100 in budgeted and $14,826,000 in unbudgeted funds

SHORT-TERM BORROWINGS

The District experiences seasonal operating cash-flow needs that require short-term borrowing. The maximum amount required in recent years is $150 million. The U.S. Treasury provided this short-term financing in the past but has ceased to make it routinely available.

The net interest and issuance cost for the FY 1984 notes remained within budgetary limits only because of significant increases in short-term reinvestment rates during the second half of 1984, which resulted in an increase in the interest earnings on the investment of the temporarily unused note proceeds.

As shown in the following budget summary, the FY 1987 appropriated budget request for Short Term Borrowing is $3,750,000, the same level as FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	3,750	0	3,750	0	3,750
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	3,750	0	3,750	0	3,750

INAUGURAL EXPENSES

Funds were approved in the FY 1985 budget for the inaugural expenses associated with the Presidential Inaugural held in January 1985. The costs were reimbursed by the federal government in accordance with section 737(b) of Public Law 93-198, which allows for reimbursement to the District for necessary expenses incurred for national assemblages, marches, and similar events.

The costs are nonrecurring in FY 1985 as shown in the following budget summary.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	0	1,975	0	0	0	0
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	0	1,975	0	0	0	0

Table IV-9
ENTERPRISE FUNDS: FY 1985-1987

($ thousands)	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET SUMMARY:	356,945	382,464	438,383
District Funds	196,903	224,109	239,825
Federal Funds	104	121	121
Other Funds	159,938	158,234	198,437
OPERATING BUDGET DETAIL BY ENTERPRISE:			
Water and Sewer:	141,335	163,190	177,173
District Funds	140,704	162,987	176,876
Other Funds	631	203	297
Lottery and Charitable Games:	112,792	108,220	146,378
District Funds	3,528	4,151	5,458
Other Funds	109,264	104,069	140,920
Cable Television:	296	500	500
District Funds	241	250	250
Other Funds	55	250	250
Washington Convention Center:	11,335	12,546	10,607
District Funds	6,930	8,371	6,261
Other	4,405	4,175	4,346
D.C General Hospital:	91,187	98,008	103,675
District Funds	45,500	48,350	50,930
Federal Funds	104	121	121
Other Funds	45,583	49,537	52,624

WATER AND SEWER UTILITY ADMINISTRATION

The Water and Sewer Utility Administration (WASUA) of the Department of Public Works distributes potable water to District residences and businesses, and collects, treats, and disposes of wastewater from the District and portions of the Maryland and Virginia suburbs.

The FY 1987 appropriated budget request provides resources to comply with the provisions of a consent agreement between the District and the Environmental Protection Agency. This decree requires the District to properly maintain the Blue Plains plant and meet all effluent standards contained in the plant permit. Compliance with the decree requires the District to hire additional maintenance personnel in FY 1987.

In FY 1985 an Intermunicipal Agreement (IMA), was signed by the District, suburban jurisdictions, and the Washington Suburban Sanitary Commission (WSSC) outlining the future expansion and use of the Blue Plains Plant as well as sludge disposal through the year 2010. The agreement also includes a change in billing procedures to cover total sludge disposal costs incurred by the District and WSSC.

The FY 1987 appropriated budget includes funding and positions for Preventive Maintenance of the Blue Plains Plant and for a plant-keeping system. Both programs are required by the consent decree. Resources are provided to permit improvements in the meter relocation program; water, sewer, and storm water maintenance; the engineering services as-built section; and water billing and collection. An increase is also included for infrastructure review, approval, and inspection responsibilities required by D.C. Law I-98. Other increases are requested for the FY 1987 4 percent pay adjustment, within-grade increases, and annualization of positions approved in FY 1986. Other significant cost increases include the replacement and disposal of transformers to eliminate PCB hazards; wastewater treatment chemicals, laboratory and sludge and chemical-line cleaning; supplies, equipment, and energy for new facilities; debt service; and utility-wide increases for training, energy, and equipment.

As shown, in the following budget summary, the FY 1987 appropriated budget request for the Water and Sewer Utility Administration is $160,647,000 and 1,288 positions, an increase over FY 1986 of $12,564,000 and 15 positions. The FY 1987 nonappropriated budget is $297,000 an increase over FY 1986 of $94,000.

FY 1987 BUDGET REQUEST

A full discussion of the Water and Sewer Enterprise Fund finances is in Chapter 6 of this book.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	1,063	127,005	1,273	148,083	1,288	160,647
Federal	0	0	0	0	0	0
Other	0	631	0	203	0	297
Total Expend.	1,063	127,636	1,273	148,286	1,288	160,944

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Sludge Disposed of *..............	1,914	2,080	2,080
(2) Sanitary Sewage treated **........	294	330	330
(3) Miles of sewers cleaned...........	20	20	30

*Tons per day
**Millions of gallons per day

WASHINGTON AQUEDUCT

The Washington Aqueduct is responsible for the collection, purification, and pumping of an adequate supply of potable water for the District of Columbia, Arlington County, and approximately 40 square miles of Fairfax County, Virginia.

Water distribution in these areas is the responsibility of the local governments. An estimated 78 billion gallons of purified water will be pumped to these consumers in FY 1987. The water produced by the Washington Aqueduct meets all standards promulgated by the Environmental Protection Agency under the Safe Drinking Water Act. To accomplish its mission the Aqueduct must operate on a 24-hour-a-day basis, 365 days a year.

The FY 1987 appropriated budget request includes increases for the Regional Water Supply agreements and a distributed process control instrumentation maintenance program for the new McMillan Water Treatment Plant. Funding is also provided for the actual cost of supplies, electrical power, and new telephone and communication lines. Other increases include funding for the 4 percent FY 1987 pay adjustment and within-grade requirements.

As shown in the following budget summary, the FY 1987 appropriated budget request for the Washington Aqueduct is $16,229,000 and 275 positions, an increase of $1,325,000 with no change in positions.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	(275)	13,699	(275)	14,904	(275)	16,229
Federal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Expenditures	(275)	13,699	(275)	14,904	(275)	16,229

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) Million gallons pumped..........	78,695	78,000	78,000

WASHINGTON CONVENTION CENTER - ENTERPRISE FUND

The Washington Convention Center Enterprise Fund was established to foster the economic revitalization goals of the District of Columbia through convention and tourism promotion. The fund supports the activities of the Washington Convention Center in providing quality convention space and services in a competitive international and national market. Sharing the center's mission are the Washington Convention and Visitors Association, the D.C. Committee to Promote Washington, and the D.C. Chamber of Commerce promoting conventions and tourism, business development, and neighborhood pride.

The success of the Washington Convention Center is measured in tax revenue and new jobs for District residents that are directly related to convention center activities. In FY 1987, an estimated 219,000 out-of-town convention delegates will spend approximately $152 million for hotels, restaurants, entertainment, retail sales, and convention services, generating more than $12.3 million in General Fund tax revenue. Other tax benefits in FY 1987 include $1.6 million in revenue estimated from income taxes collected from convention-related industry employees, $141,000 in admission tax revenue from public shows held at the convention center, and $45 million in tax revenue from net increases in assessed land value within a three square-block proximity of the convention center. It appears now that the 6,500 new jobs projected for FY 1987 as a result of the convention center in retail and transportation industries, hotels, and other services may be increased by 1988. An additional 1,500 jobs are anticipated as a result of ten new hotels.

Since opening in FY 1983, the convention center's short-term plan has been to acquire the equipment and services necessary to ensure that the facility maintains a competitive edge in the industry. With the purchase of $2.2 million in food service equipment in FY 1986, the short-term plan was fulfilled. In FY 1987 and future years, convention center management anticipates the fulfillment of the long-term plan of closing the gap between operating revenue and operating expenditures. The decrease in capital purchases and building improvement projects is reflected in the FY 1987 operating budget request.

In FY 1987, the convention center's gross budget request is $10,657,000 and 144 continuing full-time positions, a decrease from FY 1986 of $1,889,000 and no change in continuing full time positions.

Operating expenditures are financed in part by operating revenue projected at $4,346,000 in FY 1987. A transfer-in from the General Fund of $6,311,000 is necessary to cover the difference between operating revenues and expenses.

Dedicated taxes from the Hotel Occupancy Tax provide $2,109,000 in marketing and promotion expenses in FY 1987. D.C. Law 4-137 mandates that 40 percent of the taxes collected on hotel room night expenditures be used for marketing and promotion efforts by the convention center, the Washington Convention and Visitors Association, and the D.C. Committee to Promote Washington. The transfer-in from the General Fund is $4,202,000 excluding funding provided by the Hotel Occupancy Tax. Excluding $225,000 in convention-related spending for the D.C. Chamber of Commerce, the FY 1987 transfer-in from the General Fund for expenditures directly related to convention center operations is $3,977,000.

The FY 1987 budget request includes funds for the 4 percent FY 1987 pay adjustment, within-grade increases, position reclassifications and upgrades, fringe benefit adjustments, and five additional full-time equivalent positions. Other increases include funds for building repairs, purchase of building maintenance and set-up equipment, security equipment and an increase in promotional activities including those mandated by D.C. Law 4-137. Funds for the purchase of the kitchen equipment in FY 1986 is nonrecurring and these funds have been reduced from the FY 1987 base.

As shown in the following budget summary, the FY 1987 gross operating budget request for the Washington Convention Center is $10,607,000 and 144 positions, a decrease of $1,399,000 below FY 1986. This gross budget of $10,607,000 is financed by $4,346,000 in operating revenue collected directly by the Convention Center and $6,261,000 in funds transferred from the General Fund. The gross budget includes $8,536,000 for the Convention Center, $1,055,000 for the Washington Convention and Visitors Association, $791,000 for the D.C. Committee to Promote Washington and $225,000 for the D.C. Chamber of Commerce.

FY 1987 OPERATING BUDGET

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Transfer payment from General Fund	0	6,930	0	8,371	0	6,261
Federal	0	0	0	0	0	0
Other	144	4,405	144	4,175	144	4,346
Total Expenditures	144	11,335	144	12,546	144	10,607

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) National Events..................	26	31	26
(2) Public/multiple days..............	58	25	25
(3) Other local events................	113	90	120

LOTTERY AND CHARITABLE GAMES CONTROL BOARD

The District of Columbia Lottery and Charitable Games Control Board was established by D.C. Law 3-172, Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable purposes in the District of Columbia. The Board is responsible for investigating license applicants, inspecting licensed premises and enterprises, ensuring public protection against fraud and deception, regulating the conduct of Charitable Games, conducting legalized lotteries and generating revenue for the District of Columbia General Fund.

The funding requested in FY 1987 will support the Lottery Board's administrative requirements to continue improvements in the management of the lottery operation through further reductions in operating costs in the sales and inventory units, marketing and advertising. Board operations will be relocated to a permanent facility to provide the stability for future growth and development.

An increase is also requested to relocate the operation to permanent facility in FY 1987 to provide adequate office space for staff expansion. Other increases included funding for the FY 1987 4 percent pay adjustment, within-grade requirements, fringe benefits, additional electricity for expanded computer usage, upgrading the computer system and increased communications costs.

The FY 1987 gross budget for the Lottery and Charitable Games Control Board is $146,378,000, an increase of $38,158,000 from FY 1986 and no change in continuing full-time positions. The FY 1987 for the appropriated administrative expenses in $5,458,00 an increase of $1,307,000 over FY 1986 with no change in positions.

FY 1987 BUDGET REQUEST

As shown in the following budget summary, the FY 1987 gross budget for the Lottery and Charitable Games Control Board is $146,378,000, an increase of $38,158,000 over the FY 1986 level with no change in positions. The FY 1987 budget for appropriated administrative expenses is $5,458,000, an increase of $1,307,000 above FY 1986, with no change in positions.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	79	(3,528)	94	(4,151)	94	(5,458)
Federal	0	0	0	0	0	0
Other	0	112,792	0	108,220	0	146,378
Total Expenditures	79	112,792	94	108,220	94	146,378

PROGRAM MEASURES	FY 1985	FY 1986	FY 1987
(1) License and Inspections...........			
(a) Bingo........................	44	48	50
(b) Raffles......................	38	45	50
(c) Instant Lottery..............	700	700	700
(d) On-Line Games................	475	500	550
(2) Number of case investigations.....	264	275	300

OFFICE OF CABLE TELEVISION

The Office of Cable Television was established pursuant to D.C.Law 4-142, Cable Television Communications Act of 1981. The statutory responsibilities of the Office of Cable Television are to protect and promote the public interest in cable television and assure that policies and provisions of the cable television laws are properly executed. The office also has responsibility for monitoring franchise compliance with the provisions of the law and the franchise system agreement.

The Cable Television Enterprise Fund is the fund into which all revenue owed and accruing to the District from the establishment, regulation and operation of a cable television system within the District is to be deposited. The Enterprise Funds are to be used for the payment of costs incurred by the District in connection with the implementation, administration and regulation of cable television within the District.

The annual franchise fee is paid yearly by the cable company District Cablevision Limited Partnership. This fee is five percent of the annual gross revenue or $250,000 whichever is greater. Thus, the FY 1987 budget reflects the revenue to be generated from the annual franchise fee which will be used to fund the Office of Cable Television.

FY 1987 OPERATING BUDGET

The FY 1987 nonappropriated budget request reflects the same level of funding as in FY 1986 because the annual franchise fee will remain the same. In order to fund the 4 percent FY 1987 pay adjustment, within-grade increases and the inflationary cost of communications, funds have been redirected from contractual services. Funds are available in contractual services because of a reduced need to pay lawyer fees that were required in FY 1986 to modify the cable franchise agreement.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
District	4	241	4	250	4	250
Federal	0	0	0	0	0	0
Other	0	55	0	250	0	250
Total Expenditures	4	296	4	500	4	500

D.C. GENERAL HOSPITAL - ENTERPRISE FUND

As the District's only public hospital, the District of Columbia General Hospital provides quality health care for residents of the District in an atmosphere of dignity and respect, regardless of the patient's ability to pay. The hospital provides inpatient, outpatient, emergency, diagnostic, preventive and rehabilitative services. In addition, the 500-bed hospital serves as the comprehensive acute care hospital for federal and District government-supported long-term care facilities, and for individuals incarcerated by the D.C. Department of Corrections. Also provided are special outpatient services and inpatient care to patients referred by District-wide ambulatory clinics operated by the Department of Human Services.

The hospital is financed from revenue it collects directly for patient care services and the transfer payment from the General Fund for patient care of indigents of the District. These funds provide the gross operating budget of the hospital.

As shown in the following budget summary, the gross Operating budget for FY 1987 is $103,675,000 which includes $52,624,000 in funds from direct payments, $50,930,000 transfer payment from the General Fund and $121,000 in federal grants. These funds represent an increase of $5,667,000 over FY 1986.

BUDGET SUMMARY	FY 1985		FY 1986		FY 1987	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Transfer from General Fund	0	45,500	0	48,350	0	50,930
Federal	0	104	0	121	0	121
Other	0	45,583	0	49,537	0	52,624
Total Expend.	2,291	91,187	2,349	98,008	2,349	103,675

Table IV-10
TOTAL REVENUE, FY 1985-FY 1987

	1985 Actual	1986 Estimate 1/	1987 Estimate
GENERAL FUND			
REVENUE AND OTHER FINANCING FROM LOCAL SOURCES			
Tax Revenue:			
Property:			
Real property	407,289	432,700	458,200
Vault space	4,312	4,200	4,600
Personal property	43,496	45,700	50,800
Total Property Taxes	455,097	482,600	513,600
Sales and Use:			
General Sales	331,735	365,600	395,400
Alcoholic beverage	7,203	7,200	7,200
Cigarette	9,516	9,500	9,400
Motor vehicle fuel	25,254	25,600	25,600
Motor vehicle excise	23,086	24,400	25,800
Hotel occupancy	5,949	6,100	6,200
Total, Sales Taxes	402,743	438,400	469,600
Income and Franchise:			
Individual income	417,509	451,400	485,900
Corporation franchise	78,329	92,900	97,400
Unincorp. bus. franchise	23,682	26,800	29,200
Franchise surtax	5,100	6,000	6,300
Total, Income and Franchise Taxes	524,620	577,100	618,800
Gross Receipts:			
Public Utilities	75,739	80,800	84,800
Insurance	21,055	21,100	21,700
Financial Instititions	(5,349)	...	...
Total, Gross Receipts Taxes	91,445	101,900	106,500

Table IV-10 (Continued)
TOTAL REVENUE, FY 1985-FY 1987

	1985 Actual	1986 Estimate 1/	1987 Estimate
Other Taxes:			
Inheritance and estate	24,370	21,500	25,100
Deed recordation	21,219	22,300	23,400
Deed transfer	16,533	17,400	18,200
Total, Other Taxes	62,122	61,200	66,700
Total, Tax Revenues	1,536,027	1,661,200	1,775,200
Nontax Revenues:			
Business licenses and permits	14,298	14,616	16,127
Non-business licenses and permits	17,162	17,700	17,906
Fines and forfeitures	29,214	30,441	30,505
Charges for services	33,690	34,520	35,298
Miscellaneous	22,664	16,954	20,661
Total Nontax Revenues	117,028	114,231	120,497
Other Financing Sources:			
Fixed asset disposition	749	400	500
Operating transfers in2/	39,000	41,822	47,634
Total, Other Sources	39,749	42,222	48,134
Pending Authority	...	500	37,782
TOTAL REVENUE AND OTHER FINANCING FROM LOCAL SOURCES	1,692,804	1,818,153	1,981,613
REVENUE FROM FEDERAL SOURCES:			
Federal payment-current	425,000	412,358	425,000
Federal payment-pending	...	...	19,500
Special crime initiative	22,551	13,264	...
Job training initiative	...	478	...
Court study	...	96	...
Education initiative	1,502	144	...
St. Elizabeths	20,000	23,925	35,000
Inaugural expenses	2,300	...	...
General Revenue Sharing	17,525	17,606	...
TOTAL, REVENUE FROM FEDERAL SOURCES	488,878	467,871	479,500
TOTAL GENERAL FUND REVENUE AND OTHER FINANCING SOURCES	2,181,682	2,286,024	2,461,113

Table IV-10 (Continued)
TOTAL REVENUE, FY 1985-FY 1987

	1985 Actual	1986 Estimate 1/	1987 Estimate
FEDERAL PAYMENT TO RETIREMENT FUNDS	52,070	50,565	52,070
WATER AND SEWER FUND			
Service charges:			
Retail	81,476	98,660	111,786
Federal government 3/	24,100	29,197	28,810
Accrual adjustments 4/	(896)	(4,535)	(1,780)
District agencies	6,699	6,673	7,407
Aqueduct charges	3,624	4,600	4,600
Sewage treatment	23,213	30,842	32,445
Potomac Interceptor	5,405	5,611	5,865
Other operating revenue	900	800	900
TOTAL, WATER AND SEWER FUND	144,521	171,848	190,033
GRAND TOTAL, REVENUE AND OTHER SOURCES FINANCING THE APPROPRIATION	2,378,273	2,508,437	2,703,216
OTHER DISTRICT REVENUE:			
Grants & Reimbursements 5/	623,005	690,280	704,318
GRAND TOTAL, REVENUE AND OTHER SOURCES	3,001,278	3,198,717	3,407,534

1/Figures for FY 1986 are latest revised estimates. They reflect the rescissions required by the Balanced Budget and Emergency Deficit Control Act of 1985.

2/The transfers in are from the Lottery and Charitable Games Fund.

3/Charges to federal agencies are shown on a cash or appropriation basis.

4/Adjustments in federal payment from cash to accrual basis.

Table IV-10 (Continued)
TOTAL REVENUE, FY 1985-FY 1987

5/In order to avoid double counting, these amounts are shown net of the following interfund transfers:

	1985 Actual	1986 Estimate 1/	1987 Estimate
From General Fund:			
University Fund	64,933	67,715	69,015
Hospital Fund	45,500	48,350	50,930
Water and Sewer Fund	6,699	6,673	7,407
Convention Center Fund	6,930	8,371	6,261
Totals	124,062	131,109	133,613
To General Fund:			
Lottery and Charitable Games Fund	39,000	41,822	47,634
Cable Television Fund	...	...	250
Totals	39,000	41,822	47,884

Table IV-31 ($ Thousands)
BUDGET OUTLAY FY 1985-FY 1987

	1985 Actual	1986 Estimate	1987 Estimate
SUMMARY			
OPERATING BUDGET			
GENERAL FUND:	2,709,712	2,894,301	3,051,503
District funds	2,159,468	2,291,047	2,441,613
Federal funds	446,735	479,843	485,384
Other funds	103,509	123,411	124,506
ENTERPRISE FUNDS:	356,945	382,464	438,333
District funds	196,903	224,109	239,775
Federal funds	104	121	121
Other funds	159,938	158,234	198,437
CAPITAL BUDGET: 1/	222,274	578,373	469,151
District funds	136,422	248,783	365,401
Federal & other funds	85,852	329,590	103,750
DETAIL BY FUND			
OPERATING BUDGET-GENERAL FUND:			
GOVERNMENTAL DIRECTION AND SUPPORT:	93,367	102,547	111,897
District funds	90,773	99,342	108,353
Federal grants	21	0	0
Other funds	2,573	3,205	3,544
ECONOMIC DEVELOPMENT AND REGULATION:	211,366	253,198	277,754
District funds	79,692	100,035	129,460
Federal grants	104,215	115,306	110,585
Other funds	27,459	37,857	37,709

1/ The FY 1985 column represents actual FY 1985 grant reimbursements for projects authorized in FY 1985 and prior. The FY 1986 and FY 1987 estimates, however, reflect the total estimated amounts of grant funding over the lifetime of the projects authorized in FY 1986 and requested in FY 1987, respectively.

Table IV-11 ($ Thousands) - continued
BUDGET OUTLAY FY 1985-FY 1987

	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET			
GENERAL FUND - continued			
PUBLIC SAFETY & JUSTICE	541,269	554,968	585,803
District funds	535,022	548,866	580,665
Federal grants	2,223	2,328	1,163
Other funds	4,024	3,774	3,975
PUBLIC EDUCATION SYSTEM:	550,943	579,309	601,868
District funds	490,379	515,655	540,872
Federal grants	46,177	50,494	47,132
Other funds	14,387	13,160	13,864
HUMAN SUPPORT SERVICES:	898,044	973,029	1,030,984
District funds	564,932	614,347	654,315
Federal grants	284,206	301,973	318,304
Other funds	48,906	56,709	58,365
PUBLIC WORKS:	207,891	212,189	219,997
District funds	191,838	193,741	204,748
Federal grants	9,893	9,742	8,200
Other funds	6,160	8,706	7,049
FINANCING & OTHER USES:	206,832	219,061	223,200
District funds	206,832	219,061	223,200
OPERATING BUDGET			
ENTERPRISE FUNDS:			
WATER AND SEWER:	141,335	163,190	177,173
District funds	140,704	162,987	176,876
Federal funds	0	0	0
Other funds	631	203	297
LOTTERY AND CHARITABLE GAMES:	112,792	108,220	146,378
District funds	3,528	4,151	5,458
Other funds	109,264	104,069	140,920
CABLE TELEVISION:	296	500	500
District funds	241	250	250
Other funds	55	250	250

Table IV-11 ($ Thousands) - continued
BUDGET OUTLAY FY 1985-FY 1987

	1985 Actual	1986 Estimate	1987 Estimate
OPERATING BUDGET			
ENTERPRISE FUNDS - continued			
WASHINGTON CONVENTION CENTER	11,335	12,546	10,607
District funds	6,930	8,371	6,261 1/
Other funds	4,405	4,175	4,346 2/
D.C. GENERAL HOSPITAL	91,187	98,008	103,675
District funds	45,500 3/	48,350 3/	50,930 3/
Federal grants	104	121	121
Other funds	45,583 4/	49,537 4/	52,624 4/

1/ Appropriated in the General Fund and transferred to the Convention Center Enterprise Fund. Thus it is included in the Operating Budget, District fund.

2/ Revenues earned by the Convention Center from shows, conventions, etc. The total funding for the operation of the Convention Center in FY 1987 is $10,607,000, including $6,261,000 transferred from the General Fund.

3/ Appropriated in the General Fund and transferred to the D. C. General Hospital. Thus it is included in the Operting Budget District funds total. It is the actual transfer from the general fund to the Hospital for FY 1985. Fiscal years 1986 and 1987 amounts in this line represent projected contributions for these year

4/ Revenue earned by the D. C. General Hospital including Medicaid reimbursements and other third party and miscellaneous revenues.

Table IV-11 ($ Thousands) - continued
BUDGET OUTLAY FY 1985-FY 1987

	1985 Actual	1986 Estimate	1987 Estimate
CAPITAL BUDGET:			
GENERAL FUND:			
GOVERNMENTAL DIRECTION AND SUPPORT:	0	2,890	1,000
District funds	0	2,890	1,000
ECONOMIC DEVELOPMENT AND REGULATION:	35,005	50,566	67,233
District funds	35,005	50,566	67,233
PUBLIC SAFETY AND JUSTICE:	8,162	17,317	25,831
District funds	8,162	17,317	25,831
PUBLIC EDUCATION SYSTEM:	20,887	50,002	76,275
District funds	20,887	50,002	76,275
HUMAN SUPPORT SERVICES:	3,370	30,906	53,634
District funds	3,222	30,906	53,634
Federal & other funds	148	0	0
PUBLIC WORKS:	88,540	369,527	126,758
District funds	46,966	77,467	74,578
Federal & other funds	41,574	292,060	52,180
WASH. METROPOLITAN AREA TRANSIT AUTHORITY	0	0	12,000
District funds	0	0	12,000
WATER AND SEWER FUND:	66,310	57,165	106,420
District funds	22,180	19,635	54,850
Federal funds	44,130	37,530	51,570

CHAPTER V: MULTIYEAR PLAN

The multiyear plan projects the differences between expenditures and revenue that will occur in future years as a result of the proposed FY 1987 budget and the policy actions implicit in that budget. The plan also indicates alternative actions that might be taken to eliminate those spending gaps.

The District, like other state and local governments, is directly affected by the course of the national business cycle. Furthermore, as the host city of the federal government, the District is substantially affected by activities of that government. Also, given a highly specialized service-dominated economic base, the District has limited means available for altering its fiscal future. Over the past several years, major tax increases have been avoided because of the tax burdens already imposed on District residents. Most of the gap-closing effort has been directed toward the expenditure side. Simultaneously, budget policy has been targeted on programs that invest in the District's future programs for economic development, jobs, housing, education, youth, and public safety. Further, closer fiscal management of District agencies has been emphasized, which has resulted in substantial long-term savings.

After years of careful financial management, it is apparent that the District still faces a potential structural or built-in gap between its expenditure needs and its short-term revenue-raising capability. However, the last two fiscal years have seen a narrowing of the current services gap to the extent that projecting the effect of the proposed budget to FY 1991 shows only a slight excess of expenditures over revenue, -$5.5 million in that year. This small projected gap is contingent on the assumptions that there will be no major change in either revenue or expenditure trends and that costs of personal services will rise moderately over the next five years. Continued cost control, coupled with further economic development efforts, should help to achieve this favorable situation.

MULTIYEAR REVENUE FORECAST

In FY 1987, revenue and other sources financing the General Fund appropriation are estimated at $2,441.6 million. This amount includes $37.8 million in pending authority awaiting final authorization. By FY 1991, General Fund revenue is projected to grow at an annual average 5.6 percent compounded rate to reach $3,039.0 million. This moderate rate of growth assumes that the federal payment will remain constant at the currently authorized amount of $425.0 million. While it is unlikely that the federal payment will remain the same through FY 1991, a formula-based payment would greatly decrease the uncertainty concerning the payment amount and enhance the District's long-term planning process. Details of the multiyear revenue estimates are shown in Table V-I.

TAX REVENUE

Total General Fund tax revenue is projected at $1,775.2 million for FY 1987. By FY 1991, tax revenue is expected to increase to $2,395.1 million, growing at annual rates that start at 7.5 percent in FY 1988 and increase to 7.9 percent in FY 1991.

The "big three" taxes of state-local finance (real property, general sales, and individual income taxes) are projected to grow at annual rates that increase from 7.2 percent in FY 1987 to 8.5 percent in FY 1991. These rates of increase are based on the assumption that the economy will grow moderately while the rate of inflation will increase somewhat in the out years. Table V-2 displays the year-by-year assumptions about changes in the key economic variables and tax bases that were used in forecasting the multiyear revenue.

In FY 1987, real property tax revenue is projected at $458.2 million and should grow at an average annual compounded rates of 8.0 percent to reach $622.6 million in FY 1991. These projections are based on assumptions about growth rates in the assessable base (100 percent of market value) for residential, multifamily rental, hotels, and commercial property. The owner-occupied residential market value is expected to grow by 4.2 to 5 percent annually. This growth will result from increased market values as interest rates are expected to remain relatively lower than in the recent past. Lower interest rates will help to stimulate the demand for housing, which given the relatively fixed housing stock in the District, will lead to higher market values. Somewhat greater growth is expected for the rental property base. Recent market trends indicate that the rental property base will increase from 5.5 to 6 percent annually. Hotels and commercial property are expected to show the greatest annual rate of increase to the assessable base, ranging from 9.6 to 12.4 percent for hotels and 9.5 to 9.7 percent for commercial properties.

General sales tax revenue is projected to grow from $395.4 million in FY 1987 to $563.5 million in FY 1991, reflecting an annual average compounded rate of increase of 9.3 percent. The increase in sales tax revenue is based on assumptions about taxable sales (the base of the tax) and the level of consumer prices. Although prices are expected to rise over the forecast period, taxable sales still are expected to outpace the price increases.

Individual income tax revenue will increase from $485.9 million in FY 1987 and reach $661.5 million in FY 1991, providing an average annual compounded growth rate of 8 percent. By FY 1991, the individual income tax will remain the District's number-one revenue producer, generating 21.8 percent of General Fund revenue. Real property tax revenue will be a close second, accounting for 20.5 percent of General Fund revenue.

These income tax projections assume that federal salaries, a major source of District income, will generally grow at 4 to 5 percent annually and that private-sector income will sustain its solid growth rate. Income tax revenue will rise faster than the taxable base because the growth in taxable income is expected to outpace the increase in regional prices through FY 1991.

Revenue from the franchise taxes on corporate and incorporated business income is projected to grow from $132.9 million in FY 1987 to $171.3 million in FY 1991, for an average compounded annual growth rate of 6.5 percent. Corporate profits are assumed to increase between 4 and 7 percent annually, while unincorporated business profits are estimated to increase between 7 and 9 percent. A steady, relatively strong growth in the base for unincorporated firms is consistent with historical trends of District firms. The corporate tax applies to the income of firms from across the country. On average, the performance of these firms is more subject to cyclical swings in the economy than that of their District counterparts.

PENDING AUTHORITY

Several initiatives that await administrative and District Council action would, if approved, increase FY 1987 District revenue by $37.8 million. By FY 1991, these pending authority revenues would contribute $19.4 million annually.

Table V-1
GENERAL FUND REVENUE AND OTHER FINANCING SOURCES ESTIMATES, FY 1987-FY 1991 ($ Thousands)

	FY 1987	FY 1988
Local Sources, Current Authority		
Real property	458,200	494,000
Personal property	50,800	55,900
Vault space	4,600	5,000
Total property taxes	513,600	554,900
General sales	395,400	431,300
Alcoholic beverage	7,200	7,400
Cigarette	9,400	9,300
Motor vehicle fuel	25,600	25,500
Motor vehicle excise	25,800	27,400
Hotel occupancy	6,200	6,300
Total sales taxes	469,600	507,200
Individual income	485,900	524,100
Corporate franchise	97,400	102,800
Unincorp. Bus. franchise	29,200	31,500
Franchise surtax	6,300	6,700
Total income taxes	618,800	665,100
Public utility	84,800	89,000
Insurance	21,700	22,300
Inheritance & estate	25,100	26,600
Deed recordation	23,400	24,800
Deed transfer	18,200	19,300
Total other taxes	173,200	182,000
TOTAL TAX REVENUE	1,775,200	1,909,200
Bus. licenses & permits	16,127	15,585
Non-bus. lic. & permits	17,906	18,213
Total licenses permits	34,033	33,798
Parking fines	1,155	1,175
Traffic fines	29,350	29,394
Total fines & forfeitures	30,505	30,569

MULTIYEAR PLAN

FY 1989	FY 1990	FY 1991
533,000	575,700	622,600
61,500	67,600	74,400
5,500	6,100	6,700
600,000	649,400	703,700
471,100	515,000	563,500
7,400	7,500	7,600
9,200	9,100	9,000
25,500	25,400	25,300
29,000	30,800	32,600
6,400	6,500	6,600
548,600	594,300	644,600
566,100	611,700	661,500
110,000	117,300	124,200
34,000	36,400	38,900
7,200	7,700	8,200
717,300	773,100	832,800
94,000	99,100	105,100
23,000	23,700	24,400
28,300	30,100	32,000
26,300	27,900	29,500
20,500	21,700	23,000
192,100	202,500	214,000
2,058,000	2,219,300	2,395,100
17,126	16,582	18,158
18,219	18,225	18,233
35,345	34,807	36,391
1,185	1,195	1,215
29,423	29,452	29,481
30,608	30,647	30,696

Table V-1
GENERAL FUND AND OTHER FINANCING SOURCES ESTIMATES,
FY 1987-FY 1991 ($ Thousands) (Continued)

	FY 1987	FY1988
Parking Meters	9,500	9,500
Other Charges	25,798	26,698
Total Charges for Services	35,298	36,198
Interest Income	12,300	12,600
Unclaimed Property	5,300	3,000
Other Revenue	3,061	3,002
Total Misc. Revenue	20,661	18,602
TOTAL NON-TAX REVENUES	120,497	119,166
TOTAL, LOCAL SOURCE CURRENT AUTHORITY REVENUE	1,895,697	2,028,367
Pending Authority	37,782	19,536
TOTAL LOCAL SOURCE REVENUE	1,933,479	2,047,903
FEDERAL SOURCES		
Federal Payment	425,000	425,000
Saint Elizabeths Hospital	35,000	30,000
Total Federal Sources	460,000	455,000
TOTAL, REVENUES	2,393,479	2,502,903
OTHER FINANCING SOURCES		
Sale of Surplus Property	500	500
Legalized Gambling Transfer	47,634	50,918
TOTAL, OTHER FINANCING SOURCES	$ 48,134	$ 51,418
TOTAL GENERAL FUND REVENUE AND OTHER FINANCING SOURCES	$2,441,613	$2,554,321

MULTIYEAR PLAN

FY 1989	FY 1990	FY 1991
9,500	9,500	9,500
27,185	27,539	27,887
36,685	37,039	37,387
15,000	15,000	14,900
2,000	1,800	1,600
3,016	3,030	3,045
20,016	19,830	19,545
122,654	122,323	124,019
2,180,654	2,341,623	2,519,119
19,436	19,436	19,436
2,200,090	2,361,059	2,538,555
425,000	425,000	425,000
20,000	15,000	10,000
445,000	440,000	435,000
2,645,090	2,801,059	2,973,555
500	500	500
55,553	59,992	64,913
$ 56,053	$ 60,492	$ 65,413
$2,701,143	$2,861,551	$3,038,968

Table V-2
ECONOMIC ASSUMPTIONS AFFECTING DISTRICT TAX SOURCES,
FY 1986-FY 1991

	Tax Years					
	1986	1987	1988	1989	1990	1991
Real property tax base ($billions):						
Class I	8.2	8.6	8.9	9.3	9.8	10.3
Class II	4.6	4.8	5.1	5.4	5.7	6.0
Class III	1.3	1.4	1.6	1.8	1.9	2.1
Class IV	10.9	11.9	13.0	14.3	15.7	17.2
Total	24.9	26.7	28.7	30.8	33.1	35.6
Sales and use tax:	Fiscal Years					
Taxable sales	9.0%	8.5%	9.0%	9.2%	9.3%	9.4%
Consumer Price Index	4.0%	4.5%	5.0%	5.2%	5.3%	5.4%
Personal income:						
Individual income tax base	5.0%	5.5%	6.0%	6.2%	6.3%	6.4%
Tax liability (collections)	8.1%	7.6%	7.9%	8.0%	8.1%	8.1%
D.C. Unemployment	8.0%	8.5%	8.2%	8.0%	7.8%	7.8%
Federal pay increase	0.0%	3.8%	4.7%	5.0%	5.0%	5.0%
Personal Property tax base	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Cigarette tax (millions of packs)	74.2	73.5	72.8	72.0	71.3	70.6
Alcoholic Beverages Consumption (000):						
Beer (barrels)	600	600	610	610	620	620
Spirits (gallons)	3,300	3,350	3,400	3,450	3,500	3,550
Wines-less than 14% (gallons)	3,600	3,650	3,700	3,700	3,750	3,750
Sparkling wines (gallons)	425	430	435	440	445	450
Insurance tax base	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Corporate profits	5.0%	4.0%	5.0%	7.0%	7.0%	6.0%
Unincorporated profits	11.5%	9.0%	8.0%	8.0%	7.0%	7.0%
Public utility-receipts	4.0%	5.0%	5.0%	5.5%	5.5%	6.0%
Motor vehicles						
Fuel--gallons (millions)	164.5	164.6	164.3	164.0	163.5	163.0
Excise base	5.2%	5.7%	6.2%	5.8%	6.2%	5.8%
Inheritance/estate tax base	5.0%	5.5%	6.0%	6.2%	6.5%	6.5%
Deed taxes-base	5.0%	5.0%	6.0%	6.0%	6.0%	6.0%

Source: D.C. Department of Finance and Revenue

The Tax Amnesty Act of 1986 (Bill 6-398), currently pending before the District Council, is estimated to yield $20.0 million in tax revenue in FY 1987 on a one-time basis. Modeled after tax amnesty programs in several states, this proposed program will provide amnesty from various criminal and civil penalties to delinquent taxpayers who voluntarily pay the back taxes owed, and interest on those taxes, within the tax amnesty period. The bill also proposes to increase the level of penalties imposed on delinquent taxpayers after the amnesty period.

By raising the rate per pack from 13 cents to 17 cents, the Cigarette Tax Amendment Act of 1986 (Bill 6-413), is estimated to yield $2.4 million in FY 1987.

The FY 1987 budget request for the Department of Finance and Revenue contains additional funding for personnel to enhance that agency's compliance and enforcement efforts and to implement an automated collection system. These enhancements are expected to produce $6.7 million additional tax and other revenue in FY 1987. The budget request for the Department of Consumer and Regulatory Affairs includes resources for regulating four new health-occupation disciplines and implementing the Civil Infractions Act of 1985. Fees for an estimated 6,000 new annual licenses and an increase in existing business license fees would raise $570,000, and the civil infractions fines are expected to yield $3.5 million. Additional funding for traffic adjudication processing and increased parking enforcement by the Department of Public Works will generate $4.2 million in parking fines and $377,000 in parking enforcement fees.

FEDERAL SOURCES

For planning purposes over the next five years, the federal payment is forecast at the $425 million currently authorized amount. The President's FY 1987 budget proposes a federal payment of $444.5 million.

The contribution by the federal government to assist in the transfer to the District of administrative and financial responsibilities for Saint Elizabeths Hospital will peak in FY 1987 at $35 million and then drop to $10 million by FY 1991. General Revenue Sharing authorization ended in FY 1986 and is not expected to be renewed.

MULTIYEAR EXPENDITURE FORECAST

For FY 1987, the General Fund budget proposes expenditures of $2,441.6 million. Based on the spending patterns and policy proposals in the FY 1987 budget, General Fund appropriated expenditures are projected to reach $3,044.5 million in FY 1991, increasing at an average annual compounded rate of 5.7 percent. This aggregate forecast was derived from several separate forecasts at the object class level and also by major programs. Table V-3 presents expenditure forecasts by object class.

PERSONAL SERVICES

The personal services multiyear plan expenditure forecasts takes into account the collective-bargaining-unit agreements reached for contract years FY 1985-FY 1987. The forecasts also reflect the Fraternal Order of Police arbitration award that is in the FY 1987 base. Over the forecast period, pay is assumed to grow at the same rates as in the current contracts for District-Schedule employees. A constant work force is also assumed for the period, as is the 1.04 percent average within-grade increase currently experienced by District agencies.

From FY 1987 to FY 1988 personal services expenditures are projected to increase 8.2 percent. This sizable increase reflects the plan for the District to assume responsibility for patient care at Saint Elizabeths Hospital on October 1, 1987. Rather than showing a large transfer to the hospital in FY 1988, the multiyear plan for that year includes the necessary spending in other object classes within the Department of Human Services. After FY 1988 the multiyear plan shows the assumed annual growth in personal services (and other) expenditures.

OBJECT CLASSES 20, 60, AND 70

Expenditure projections for Object Classes 20, 60, and 70 reflect a range in the expected annual growth in prices paid by the District, from 6.4 percent in FY 1988 to 5.6 percent by FY 1991. These inflation rates are somewhat higher than anticipated consumer price levels for FY 1987 to FY 1991. The trends in prices of goods and services procured by state and local governments relative to changes in consumer prices are reflected in these inflation rates. Increases for the first year of the period are somewhat higher because of the revised budget structure assumed for the new comprehensive mental health system.

Table V-3
MULTIYEAR FORECAST OF EXPENDITURES BY OBJECT CLASS, FY 1987-FY 1991 ($ Millions)

Object Class	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
11-14 Personal Services	1,068.4	1,156.0	1,213.5	1,275.5	1,338.6
20 Supplies & Materials	40.9	43.4	45.8	48.3	51.0
30a Energy	49.6	52.2	54.8	57.6	60.7
30b Communication	12.1	14.4	15.8	17.3	19.0
30c Rent	18.1	19.3	20.3	21.3	22.5
40 Other Services & Charges	180.4	218.7	230.7	244.6	262.2
50 Transfers & Subsidies	816.1*	794.9	838.9	889.7	937.8
60 Land & Buildings	1.1	1.1	1.1	1.1	1.1
70 Equip. & Equip. Rental	37.7	40.2	42.2	44.5	46.9
80 Debt Service	217.2	251.7	267.9	285.0	304.7
Total	2,441.6	2,591.9	2,731.0	2,884.9	3,044.5

*includes $10.3 million transfers for capital expenditures

OBJECT CLASS 30

Energy expenditures projected in the multiyear plan are based on constant consumption and a composite energy price inflator of 4.2 percent in FY 1988, increasing to 5.4 percent in FY 1991. The electricity component of the index allows for some growth in labor and fuel costs over the forecast horizon. The fossil fuels component provides for possible rate increases in natural gas. Given the oversupply situation in oil-producing countries, the outlook through FY 1991 is for minor cost increases in non-regulated petroleum products.

The forecast for communications expenditures assumes a 15 percent growth rate in FY 1988 and 10 percent annually through FY 1991. These growth rates are based on experience since the breakup of the Bell System and the resulting high increase in local phone rates. Leased space expenditures are assumed to grow at an average annual rate of 5.2 percent from FY 1987 through FY 1991. This growth rate reflects the growth in market values of the real property leased by the District. The composite price increase for energy, communications, and rent is about 6.4 percent for the FY 1987-FY 1991 period.

OBJECT CLASS 40

For the second year of the multiyear plan, FY 1988, Object Class 40 expenditures are projected to grow 21 percent. This reflects the shift in expenditures from Object Class 50 to accommodate the new mental health system. From FY 1988 through FY 1991, the multiyear forecasts for Object Class 40 are expected to grow at an average annual compounded rate of about 6.2 percent. The continued phasing-in of the District's responsibility for St. Elizabeths Hospital causes some of that relatively high rate of increase.

The growth rate in this object class is influenced also by the rapid growth experienced in legal service and payments. Given society's litigious climate, a major part of this increase is driven by the sharp rise in court cases leading to payments for settlements and judgments. Expenditures for juror and witness fees and for payments for the child abuse and neglect program will also incur relatively large increases throughout the forecast period.

OBJECT CLASS 50

Over the next five years, expenditures in Object Class 50, subsidies and transfers, will increase by only a 3.5 percent average annual compounded rate. This growth rate is lower than the 5.5 percent average annual increase anticipated in the prices of goods and services bought by the District, mainly because the transfer to Saint Elizabeths Hospital ($57.7 million in FY 1987) will be terminated at the end of the budget year. In addition, it is assumed that the $8 million and $2 million transfers to the Capital Projects Fund to finance school and housing repairs, respectively, will not recur after FY 1987.

The inflation rate that is assumed for most Object Class 50 programs is based on predicted changes in consumer prices, the prices that are paid by assistance recipients, and not the generally faster-growing prices of goods and services purchased by state and local governments. Table V-4 contains the multiyear forecasts for subsidies and transfers.

The multiyear forecasts for subsidies and transfer expenditures associated with financial assistance and social service programs for FY 1987 to 1991 are based also on some changes in the

Table V-4
SUBSIDIES AND TRANSFERS, OBJECT CLASS 50, MULTIYEAR PROJECTIONS
FY 1987-FY 1991 ($ Millions)

PROGRAM	FY1987	FY1988	FY1989	FY1990	FY1991	AVE ANNUAL % CHGE
Retirement	173.1	181.7	191.3	201.3	212.3	5.2
Medicaid	154.9	162.4	170.5	179.6	189.6	5.2
Other Financial Assistance, DHS	142.0	154.0	166.3	181.9	195.3	8.3
WMATA	98.5	106.2	110.1	116.2	117.5	4.5
D. C. General	50.9	54.3	57.6	60.5	64.1	5.9
St. Elizabeths	57.7	...	...	...	...	...
Bureau of Prisons	24.1	27.9	29.6	31.0	33.6	8.7
Compensation Benefits	13.2	13.9	14.5	15.3	16.2	5.3
Housing	27.6	29.0	30.5	32.1	33.8	5.2
Employment Program	27.2	28.6	30.1	31.7	33.4	5.3
Other	46.9*	36.9	38.4	40.1	42.0	-1.8
TOTAL	816.1*	794.9	838.9	889.7	937.8	3.5

*includes $10.3 million transfers-out for capital expenditures

recipient population. An annual payment-level increase equal to assumed changes in consumer prices has been projected for Aid to Families with Dependent Children and General Public Assistance. However, it is assumed also that the AFDC caseload will decrease about 1 percent a year throughout the period. Although contract-residential, foster-care services are expected to decrease in the multiyear plan, the need for private special education and residential group homes will lead to growth in overall foster-care spending, ranging from 11 percent in FY 1988 to 15 percent by FY 1991.

Expenditures for homemaker and chore service programs for the elderly, families, and adults needing such assistance are assumed to increase 7 percent in FY 1988 and FY 1989, and then 2 percent annually for the rest of the period. Projections of spending in the mental retardation and development disability program areas assume that implementing the Pratt court order and accommodating the close of Forest Haven in October 1987 will require expenditure increases of 36 percent for FY 1988. In the remaining years, the spending growth for this type of assistance will continue strong, about 16 percent annually. Another area where real spending is projected to increase in the next five years is youth services. The continuing focus on improved programs for delinquents and other at-risk adolescents is expected to require annual spending increases of from 8 to 11 percent.

Multiyear Medicaid program expenditures are projected to grow an average 5.2 percent compounded annually. This 5.2 percent annual expenditure growth reflects the associated nursing-care recipient population and a stabilized Medicaid outpatient population.

The payment to the Bureau of Prisons is projected to grow at an 8.7 average annual compounded rate over the five years. The major increase occurs in FY 1988. The FY 1987 request is held at at a level lower than the FY 1986 budget, pending authorization of an increased federal payment. When the increase in federal funds is approved, it is anticipated that an amended request for a higher prison payment will be submitted to the Council and the Congress.

The multiyear forecast for WMATA, a total increase of $19 million over the five years, assumes that the District's operating rail subsidy will be affected by a decreased share of rail costs, an FY 1990 opening of the Red Line to Wheaton, and an FY 1991 opening of the Green Line between Anacostia and U Street. The District's share of the operating bus subsidy is assumed to be constant throughout the period. Bus costs are assumed to grow only with inflation or to decline as a consequence of District bus turnbacks when the Green Line opens. However, if the federal budget-balancing efforts that were begun in FY 1986 continue through FY 1987, it will be necessary to reexamine the assumptions about the entire rapid transit system and financing, including the District's subsidy.

Other Object Class 50 multiyear expenditures for retirement payments, the school system, and D.C. General Hospital are assumed to grow at annual average compounded rates of 5.0 percent to 5.4 percent, reflecting mainly inflationary increases over the period.

OBJECT CLASS 80

Expenditures for debt service and repayment of the General Fund deficit in the multiyear forecast are $217.2 million in FY 1987 and are projected to grow to $304.7 million by FY 1991. This represents an average annual compounded growth rate of 8.8 percent. Long-term debt service alone is projected to grow 8.2 percent annually over the period.

Table V-5
TOTAL DISTRICT DEBT SERVICE ON LONG-TERM BORROWINGS COMPARED WITH TOTAL DISTRICT REVENUE, FY 1987-FY 1991 ($ Millions)

	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
Revenue:					
General Fund	2,441.6	2,554.3	2,701.1	2,861.6	3,039.0
Water and Sewer Fund	190.0	204.2	204.8	205.6	206.5
Subtotal	2,631.6	2,758.5	2,905.9	3,067.2	3,245.5
Less:					
Court fees	-4.4	-4.7	-4.9	-5.0	-5.0
Adjusted revenue	2,627.2	2,753.8	2,901.0	3,062.2	3,240.5
Debt service ceiling (14%)	367.8	385.5	406.1	428.7	453.7
Total debt service	231.0	257.3	276.8	297.1	318.6
Debt service as % of adjusted revenue	8.8	9.3	9.5	9.7	9.8
Debt Service as % of adjusted revenue with growing federal payment	8.8	9.2	9.3	9.4	9.4

As shown by Table V-5, debt service on long-term borrowings for both the General Fund and the Water and Sewer Fund is projected to be 8.8 percent of adjusted revenue for the two funds in FY 1987. The statutory limit is 14 percent. Capital expenditure requirements and the associated borrowing will raise this ratio to 9.8 percent by FY 1991, assuming no increase in the federal payment above the current authorized level. If the federal payment were to grow, starting in FY 1988, at the same rate as revenue from District taxes, the ratio between debt service and adjusted revenue would rise to only 9.4 percent by FY 1991.

MULTIYEAR REVENUE VERSUS EXPENDITURES

Assuming no further changes in policy or law, the difference between forecasted revenue and expenditures will grow from zero for FY 1987 to -$5.5 million in FY 1991. A summary of the projections is shown in Table V-6. In FY 1988, expenditures will exceed revenue by $37.6 million. From then on, assuming strict cost control is maintained, the gap decreases.

Table V-6
REVENUE-EXPENDITURE GAP PROJECTIONS, FY 1987-FY 1991
($ Millions)

	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
Revenue	2,441.6	2,554.3	2,701.1	2,861.6	3,039.0
Expenditures	2,441.6	2,591.9	2,731.0	2,884.9	3,044.5
Difference	0.0	(37.6)	(29.9)	(23.3)	(5.5)

The small projected gap in FY 1991 should be viewed with extreme caution. It can be achieved only with great effort and continued attention to both sides of the budget. The current labor contracts are assumed in making the projections. Further, it is assumed that medical costs, the source of tremendous budgetary pressures three to four years ago, have now been brought under control. Borrowing is assumed to occur at fairly propitious interest rates, and no resumption of past, rampant inflation is planned for. On the revenue side, the forecasts assume continued moderate growth, with no recession and no drastic change in federal spending or budget policy. Without these optimistic assumptions, there would be a significant gaps between revenue and expenditures throughout the five-year period.

Although not large, the gaps that are projected between revenue and expenditures over the next couple of years are evidence that, even in a favorable economic climate, caution is warranted. The substantial cost reductions and improvements in the revenue-raising programs effected over the last five years have reduced, but not completely eliminated, the short-term imbalance. It is obvious that to avoid future gaps the District must continue to stress economic development, job availability, and adequate skill levels for the work force. Cost control and management efficiency still must be pursued without sacrificing the level and quality of services the District currently provides.

It is apparent that the District has achieved a good part of this improved fiscal picture by itself. Though not responsible for the national economic recovery and the obvious locational advantages of the Washington area, the District has gained control over a serious fiscal imbalance. The federal government has been a limited partner in these efforts. Although the federal payment has grown consistently (except for FY 1986), it cannot compensate for excess burdens that local taxpayers must bear because of federal policies prohibiting commuter taxation and of pre-Home Rule federal fiscal actions.

Most of the accumulated General Fund deficit is attributable to pre-Home Rule federal fiscal practices. The District has developed two plans to eliminate this deficit, but the federal government has yet to endorse their principles. A three-part plan submitted in April 1983 proposed that deficit-financing bonds be sold and that the federal government match the District's actual annual deficit reductions up to $100 million. At a minimum, the federal government should agree to make the federal payment a permanent, indefinite appropriation based on a formula that would allow the payment to grow as a constant ratio of District revenue.

The most intractable financial problem that will confront the District is outside the five-year plan. By FY 2005, the District will be required to pay huge amounts into the pension funds for teachers, police officers, fire fighters, and judges. In that year, the Retirement Reform Act of 1979 stipulated that the annual contribution from the District change from a net-pay-as-you-go basis, plus an amount to keep the unfunded liability from growing as fast as the rate of inflation, to the net normal costs (benefits earned less employee contributions), plus interest on the then unfunded liability. The FY 1987 total contribution is $173.1 million. In FY 2005, the year of the changeover, the District payments to the funds will be $794.6 million, or 98.9 percent of the estimated payroll of teachers, police officers, fire fighters, and judges in that year.

This burden will be intolerable for local taxpayers, and it is imperative that the federal government contribute its equitable share. Since the federal government established the pension benefits and the system of inadequate finance, the federal government should pay 100 percent of the unfunded liability and interest on the liability that existed as of October 1, 1979, the effective date of the transfer of the funds to the District. This fair share would amount to $368 million annually, starting in FY 1986. The federal government now pays only $52.1 million into the funds, an amount that covers only 80 percent of the unfunded liability as of October 1, 1979, for persons retired on regular pensions prior to Home Rule and 33 1/3 percent of the unfunded liability for persons retired on disability prior to Home Rule.

The fiscal future of the District is necessarily tied to the resolution of the remaining pre-Home Rule problems. The District will continue to meet its full responsibility, but the structural gap between expenditures and revenue predicted for the short term will not be eliminated until a shift in federal-local fiscal relations occurs, obstacles to broader-based taxes are removed, and a more equitable federal payment and pension contribution are enacted.

At present, however, the fiscal relationship between the District and federal governments threatens to become worse, rather than better. Instead of establishing a formula-based federal payment, the Gramm-Rudman legislation may subject the federal payment to the same budget rescissions that will be applied to the grant-in-aid programs. Therefore, the first priority is to remove the federal payment to the District from the continual federal budget-balancing efforts.

CHAPTER VI. PROPRIETARY FUNDS

Each of the District's proprietary funds, like the General Fund, has an annual operating budget and financial plan, and reports on the financial results of its operations. At a minimum, each proprietary fund is expected to plan for and to achieve a balance between revenue plus other financing sources and expenditures plus other financing uses. Unlike the General Fund, each proprietary fund accounts and budgets for operations with a single mission.

The District uses two types of proprietary funds: enterprise and municipal university. Whereas the latter type contains only the funds for the University of the District of Columbia, the former includes the Water and Sewer Fund, the Convention Center Fund, the Lottery and Charitable Games Fund, the Cable Television Fund, the D.C. General Hospital Fund, and the Starplex Fund.

Direct appropriations are made for the Water and Sewer Fund, the Lottery Fund, and the Cable Television Fund. However, annual subsidies are appropriated in the General Fund for transfer to the university, the hospital, and the convention center; there are no direct appropriations to those funds. The Starplex Fund has no direct or indirect appropriated elements.

The Lottery Fund's financial and programmatic objectives are to generate from legalized gambling an excess of revenue over expenses that can be transferred to the General Fund. The Water and Sewer and the Cable Television funds are supposed to achieve their respective program objectives without incurring a financial loss. The Water and Sewer Fund is planned to accumulate eventually a surplus that will generate excess cash to cover the debt service of future revenue bonds. It is expected that the University Fund, the Convention Center Fund, and the D.C. General

Hospital Fund will operate at a loss and will require, for the foreseeable future, an annual subsidy from the General Fund.

WATER AND SEWER FUND

The Water and Sewer Fund budgets and accounts for all financial activities related to providing water for District residences, businesses, and visitors, and collecting and treating sewage from the District, as well as a large portion of the Virginia and Maryland suburbs. The fund covers the costs of the Water and Sewer Utility Administration of the Department of Public Works and the cost of the potable water purchased from the Washington Aqueduct that the District distributes to its customers. The aqueduct is managed by the U.S. Army Corps of Engineers. The enterprise fund also includes interest expense and depreciation costs.

The Water and Sewer Fund is a separate set of accounts through which the District accumulates revenue earned from charges for services to customers and expenses incurred in distributing water and treating sewage. The main purpose of the Water and Sewer Fund, like any enterprise fund, is to report periodically the results of operations and measure whether the revenue generated by customer charges is sufficient to finance the costs incurred in providing services to the fund's customers. The periodic financial reports on Water and Sewer Fund financial operations also can be used to help set water and sewer rates and service charges.

THE UTILITY PROGRAM

The Water and Sewer Utility Administration of the Department of Public Works, commonly known as the utility, distributes potable water to District residences and businesses and collects, treats, and disposes of wastewater from the District and portions of the Maryland and Virginia suburbs.

The District purchases water from the Washington Aqueduct and provides capital financing for its construction projects. Through an extensive system of 1,286 miles of pipes, mains, and trunk lines, as well as several pumping stations, the District supplies an average of 176 million gallons a day (mgd) of water to District businesses and households. Through another extensive system of 1,800 miles of sewer pipes and pumping stations, the utility collects and transmits District wastewater to the Blue Plains Wastewater Treatment Plant.

Although the Blue Plains plant is the responsibility of the District, the plant is a regional facility that provides wastewater treatment for 70 percent of the metropolitan area. The plant's treatment capacity of 309 mgd is allocated to the area jurisdictions as shown in Table VI-1.

The District is reimbursed by these jurisdictions for the cost of treating their sewage at Blue Plains. Under the terms of a new regional agreement signed September 5, 1985 (the Intermunicipal Agreement), which among other things allocates the plant's treatment capacity, the District also manages a contract for the disposal of 80 percent of the residuals produced by the treatment process. The cost of this disposal is shared among the user jurisdictions. The total sludge output is approximately 2,080 tons per day, of which the District disposes of 1,680 tons. The remaining 400 tons per day are composted at a facility of the Washington Suburban Sanitary Commission (WSSC).

Table VI-1
REGIONAL ALLOCATION OF WASTEWATER TREATMENT PLANT CAPACITY

° District	135 mgd	(43.7 percent)
° Washington Suburban Sanitary Commission (Prince George's and Montgomery Counties)	153 mgd	(49.5 percent)
° Fairfax County	16 mgd	(5.2 percent)
° Potomac Interceptor	5 mgd	(1.6 percent)
Total	309 mgd	(100.0 percent)

The Potomac Interceptor, a component of the District's sewer service system, was constructed by the District to transport wastewater from Dulles Airport and other federal installations, as well as from local jurisdictions along the interceptor route, to Blue Plains for treatment. The District is reimbursed by the users for the operation and maintenance costs of the interceptor, the debt service related to its construction, and the costs of treating interceptor wastewater.

In addition, the costs of supplying water and treating wastewater are billed to and collected from the utility's District customers, including the federal government. Each property has a meter that measures water consumption. A rate approved by statute is applied to the measured consumption, and a bill is rendered to each customer. Bills currently are prepared every six months for residential customers and every three months for commercial customers. The District has at present 97,000 residential customers, 14,000 commercial customers, and 5,000 other customers, including District agencies and the federal government.

FINANCIAL PLAN, FISCAL YEARS 1984-1992

The financial activities of the Water and Sewer Fund are conducted to comply with generally accepted accounting principles (GAAP). Revenue generated by the fund is used exclusively to finance the programs operated by the utility and the Washington Aqueduct, including the cost of borrowing to finance capital construction.

ELIMINATING THE DEFICIT. At the end of FY 1983, the fund had an accumulated deficit of $54.1 million, which was the result of several factors. For instance, meeting the federal mandate to clean up the Potomac River has proven to be extremely costly. This mandate required the construction and operation of expensive facilities at Blue Plains and the use of large quantities of chemicals and energy to sustain the sophisticated processes used in treating wastewater. These advanced treatment processes also produce quantities of residuals that must be disposed of in an environmentally safe fashion. Thus, while the Potomac has been cleaned up by reducing the levels of pollutants introduced into the river, the price has been very high. The cost of such an effort must be borne, of course, by the customers of the utility.

Moreover, rate increases did not keep pace with rising costs. Prior to the increase that took effect on October 1, 1983, rate increases were approved in 1975 and 1980. Not only did this result in financial losses and an accumulated deficit, but also in insufficient resources to operate and maintain the plant and other utility infrastructure elements. Finally, an inadequate water measurement and billing system also contributed to the accumulated deficit. Meters did not accurately measure water consumption, and the billing and collection system did not effectively generate revenue and cash.

As part of a comprehensive plan to eliminate the deficit, legislation was approved in FY 1983 that increased water and sewer rates each year of the fiscal 1984-1988 period.

The rates that were adopted are:

FY 1984--$1.535 per 100 cubic feet (35 percent increase)
FY 1985--$1.996 per 100 cubic feet (30 percent increase)
FY 1986--$2.495 per 100 cubic feet (25 percent increase)
FY 1987--$2.870 per 100 cubic feet (15 percent increase)
FY 1988--$3.157 per 100 cubic feet (10 percent increase)

The plan projected that the utility would balance revenue and expenses each fiscal year, starting with FY 1985, and eliminate its accumulated deficit by FY 1988.

In addition to the rate increases, the plan called for improvements in water-usage measurement and the billing and collection systems to ensure accurate and timely billing of all customers. To achieve these objectives, the utility started several programs in FY 1984. The utility now has identified all District properties that receive service--116,000 active accounts in all. Furthermore, the accuracy of 87 percent of all District meters has been checked, and defective equipment has been replaced or repaired. Of the 35,000 meters located inside buildings, 1,324 were relocated outside in FY 1984, and 1,600 in FY 1985. The result of this effort has been that 87 percent of all bills were based on actual, rather than estimated, readings in FY 1985, as compared with 85 percent in FY 1984. The utility expects an 88 percent level to be achieved in FY 1986. Implementation of a program using on-site data entry through a hand-held computer, started in FY 1986, should reduce erroneous readings, increase meter-reader productivity, and improve cash flow.

Collection efforts have been strengthened to reduce the large amount of past receivables and to keep all accounts current. In FY 1984, 1,747 liens were placed on properties with four or more units, the total of which owed $9.6 million in water and sewer charges. In FY 1985, 560 liens with a value of $1.9 million were placed. Other enforcement tools that have been used actively include civil suits, 147 of which were initiated in FY 1985 for a value of $4.7 million, and water cutoffs, 5,300 of which occurred during the last fiscal year. As measures of the success of this aggressive enforcement plan, the number of delinquent accounts has decreased 24 percent from FY 1984 to FY 1985, and the delinquent balance has fallen 19 percent, from $21.5 million to $17.4 million.

In its efforts to sustain these rigorous collection efforts, the utility will implement in the spring of 1986 a quarterly billing system. This new billing system will result in lower average bills, making it easier for consumers to pay their bills.

More frequent bills also should produce better financial and program information for planning and control purposes.

In prior years, the District violated the effluent standards of its Environmental Protection Agency (EPA) permit to operate the Blue Plains plant. In addition, EPA, which contributed considerably to the construction of the plant through grants, determined that the District had not maintained the plant adequately. As a result of the operational and maintenance deficiencies that it found, EPA initiated a court-sanctioned consent decree requiring the District to make specific improvements in the operation and maintenance of the plant. The required improvements included repairing immediately certain process- related equipment, hiring a number of operations and maintenance personnel, purchasing adequate replacement units and spare parts to repair crucial equipment immediately, and complying with the effluent standards of the plant permit. The decree established a penalty structure that would fine the District increasing sums for each violation of the permit or the decree.

The financial plan for fiscal years 1987 through 1992 incorporates the costs of complying with the permit and the consent decree, as well as important program changes. The plan also includes a $27 million revenue loss that reflects projected lower levels of consumption resulting from conservation efforts and a gradual adjustment to higher utility rates. Fund net income is expected to increase from FY 1986 to FY 1988, and the accumulated deficit will be eliminated in FY 1988. Projected revenue is expected to exceed expenses in subsequent fiscal years through FY 1991, but the projected loss in FY 1992 may require another adjustment in the financial plan.

FISCAL YEAR 1985. In FY 1985, the Water and Sewer Fund's revenue exceeded expenses by $1.8 million, the first net income produced by the fund since the District's financial statements were audited in FY 1980. Since depreciation expense included $2.4 million on assets financed with federal grants, this amount was closed to depreciated capital. The combined result was a $4.3 million increase in retained earnings and a reduction in the accumulated deficit at year end, from $58.0 million to $53.7 million. This ending balance is $14.2 million less than the accumulated deficit was projected to be in the original plan to eliminate the deficit presented in the FY 1984 budget and $3.3 million less than the forecast presented in the FY 1986 budget.

Compared with the FY 1985 forecasts made a year ago, the fund's operating expenses were much lower than expected, especially for personal services ($2.4 million) and supplies ($8.0 million). Revenue, however, was $6.6 million less than estimated.

The 30 percent rate increase effective for FY 1985 for all utility customers in the District caused revenue to increase by 23 percent. A $7.8 million increase in the charges to other jurisdictions for treatment costs also contributed to an increase in revenue.

Total FY 1985 expenses increased 16.5 percent, from $122.5 million to $142.7 million. Significant increases occurred in personal services, from $29.0 million to $32.4 million; in contractual services, from $43.4 million to $47.9 million; in depreciation, from $6.5 million to $11.9 million; and in interest, from $15.9 million to $20.2 million. Personal service costs rose as the utility added staff to comply with the consent decree, and contractual services costs increased for the same reason and also because of the rising costs of sludge disposal. Higher depreciation and interest expenses are the result of the completion of the crosstown water main and the McMillan plant, as well as the continued rehabilitation, replacement, and extension of sewers. In addition, following the independent auditor's recommendation, all the combined storm drain and sewer system assets, worth $126 million, were transferred to the Water and Sewer Fund from the General Fund at the end of FY 1985. This transfer increased enterprise fund depreciation expense by $2.1 million. However, the revenue generated by the rate increase and charges to other jurisdictions was adequate to cover this additional expense.

FISCAL YEAR 1986. The original FY 1986 financial plan for the fund included revenue of $177.9 million and expenses of $165.7 million. This will result in an annual income of $12.2 million and reduce the accumulated deficit by the same amount. As shown in Table VI-2, current forecasts for FY 1986 are for revenue of $172.8 million, expenses of $154.2 million, and a net income of $18.6 million. The recent forecasts for FY 1986 are preliminary; requirements will be reviewed again and a supplemental budget request will be forwarded to the Council if necessary.

The current forecast for contractual services is $6.4 million higher than the original budget for several reasons. A change in accounting procedures necessitates expensing the full $3.6 million cost of sludge disposal by the Washington Suburban Sanitary Commission rather than netting the commission's costs against the utility's. Another need is for hiring maintenance craftsmen and engineers on personal service contracts to meet consent decree requirements on time. Considerable difficulty has been met in filling the vacancies for those skilled personnel on a timely basis. Other potential supplemental needs in contractual services are costs of a study to improve meter

Table VI-2
WATER AND SEWER FUND FINANCIAL PLAN FY 1984-FY 1992 ($ Thousands)

	FY 1984	FY 1985	FY 1986 Budget	FY 1986 Revised
Revenue:				
Water and sewer charges:				
Retail customers	64,267	81,476	109,885	98,660
Federal government	16,520	24,100	30,100	30,100
Federal accrual	7,066	(896)	(4,545)	(4,535)
District agencies	4,914	6,699	8,305	6,673
Water sales by Aqueduct	3,286	3,624	4,600	4,600
Sewage treatment	15,426	23,213	23,416	30,842
Potomac Interceptor	5,530	5,405	6,188	5,611
Other income	779	900	...	800
Total Revenue	117,788	144,521	177,949	172,751
Expenses:				
Personal services	29,001	32,375	38,477	35,845
Contractual services	43,400	47,939	49,715	56,160
Supplies	14,180	15,117	31,178	19,778
Occupancy costs	11,471	12,819	11,775	13,115
Depreciation	6,476	11,906	7,704	10,015
Interest	15,907	20,198	24,900	19,286
Miscellaneous	1,244	2,328	2,000	...
Total Expenses	122,484	142,682	165,749	154,199
Net Income (Loss)	(3,891)	1,839	12,200	18,552
Depreciation closed to to Contributed Capital	...	2,443	...	...
Increase (Decrease) in Retained Earnings	(3,891)	4,282	12,200	18,552
Retained Earnings (Deficit) at Beginning of year	(54,130)	(58,021)		(53,739)
Retained Earnings (Deficit) at End of Year	(58,021)	(53,739)		(35,187)

PROPRIETARY FUNDS

FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
111,786	121,121	119,304	117,514	115,752	114,015
28,810	29,733	29,733	29,733	29,733	29,733
(1,780)	...	...	...	...	...
7,407	8,148	8,148	8,148	8,148	8,148
4,600	4,800	5,000	5,200	5,400	5,600
32,445	34,229	36,112	38,098	40,194	42,404
5,865	6,188	6,528	6,887	7,266	7,665
900	...	...	...	...	...
190,033	204,219	204,825	205,580	206,493	207,565
41,610	43,439	45,628	47,698	50,102	52,374
56,403	59,223	62,599	66,104	69,806	73,715
22,000	23,100	24,347	25,687	27,125	28,671
12,870	13,514	14,217	14,970	15,779	16,646
10,265	10,515	10,765	11,015	11,265	11,515
20,554	23,176	30,904	27,922	28,499	29,690
...	...	...	...	...	...
163,702	172,967	188,460	193,396	202,576	212,611
26,331	31,252	16,365	12,184	3,917	(5,046)
...	...	...	...	...	...
26,331	31,252	16,365	12,184	3,917	(5,046)
(35,187)	(8,856)	22,396	38,761	50,945	54,862
(8,856)	22,396	38,761	50,945	54,862	49,816

reading efficiency and upgrade the system for aging the accounts receivable in the Bureau of Water Management and Billing. The forecast for occupancy costs has increased mainly because the special discount granted by the Public Service Commission for electricity used by the treatment plant was only 10 percent, not 19.22 percent as expected when the FY 1986 budget was prepared. Depreciation has increased in the revised FY 1986 forecast mainly because of the FY 1985 transfer of assets from the General Fund.

Although the combined increases in these three cost categories is $10.0 million, lower expenses in the other costs provide more than enough of an offset. The most recent personal services forecast is $2.6 million lower than that requested in the original FY 1986 budget because of the difficulty experienced in hiring maintenance craftsmen and engineers as quickly as desired. The cost of supplies is forecast to decrease $11.4 million because many items will be inventoried instead of expensed. FY 1986 interest expenses are now forecast at $19.3 million, $5.6 million lower than originally estimated because of lower interest rates, actual and expected savings on the refinancing of U.S. Treasury notes, and a somewhat lower rate of spending on capital projects.

FISCAL YEAR 1987. The FY 1987 financial plan for the Water and Sewer Fund proposes revenue of $190.0 million and expenses of $163.7 million. Revenue would exceed expenses by $26.3 million, reducing the fund's accumulated deficit to $8.9 million at September 30, 1987. Of the $17.3 million revenue increase from the revised forecasts for FY 1986, $15.3 million is directly related to the October 1, 1986, rate increase of 15 percent. Those projections assume, however, that the revenue increase resulting from the new rate will be partially offset by a drop in consumption as utility customers adjust to the higher prices.

Expenses of the fund will increase only $9.5 million over the current spending estimate for FY 1986. Personal services increases will finance pay adjustments, including within grades and annualization ($2.6 million), as well as 15 new continuing full-time positions and 14 new term full-time positions ($0.5 million). The new positions will be used primarily to upgrade a unit that maintains maps of water, sewer, and storm sewer systems, to improve water billing and collections and meter measurement, and to expedite the meter relocation program. The FY 1987 financial plan for personal services also provides for the repair and/or preventive maintenance of sewer mains, fire hydrants, valves, and the wastewater treatment plant facilities at Blue Plains ($2.6 million). Other nonpersonal services costs financed in FY 1987 include the purchase of water from the Washington Aqueduct and energy ($2.3 million).

Depreciation, which is a nonbudgeted expense that must be incorporated into this financial plan, will increase in FY 1987 by only $250,000 because there will be few large capital projects completed that year. In addition, interest expense on the fund's long-term borrowings to finance the construction of capital projects will increase by $1.3 million from the current estimate for FY 1986.

Because financial reporting for the Water and Sewer Fund is on a different basis than the one used for budget preparation, it is necessary to provide a crosswalk between the budgets and the expected financial results. Financial reports are prepared using generally accepted accounting principles, which require the use of accrual accounting for proprietary funds. Budgeting uses the expenditure basis, which requires sufficient budget authority before goods and services can be purchased. The latter ignores when goods and services will be used; accrual accounting determines expenses based on when goods and services are used.

Table VI-3 shows for fiscal years 1986 and 1987 that the Water and Sewer Fund's budgetary needs differ significantly from the projected results on an expense basis. Specific differences include (1) goods and services received in a particular fiscal year, but not used in the year received, such as items purchased for inventory (i.e., expenditures that are not expenses); (2) items that are withdrawn from inventory for use in a particular fiscal year, but were purchased in a previous year (i.e., expenses that are not expenditures); and (3) items that are not budgeted (i.e., depreciation and interest expense). Because budgeting is on an expenditure basis, instead of including depreciation and interest, the budget contains authority for the purchase of items of supplies and equipment and for the amount of principal and interest payments to be accrued in a fiscal year.

FY 1986 budget authority differs from expenses because of the substantial amount of supplies to be purchased for inventory, pursuant to the consent decree, and the purchase of equipment, which will be capitalized and expensed through depreciation. For FY 1987, the amount purchased for inventory will decrease because the utility will complete compliance with the existing consent decree during this budget year. In both fiscal years, amounts needed to purchase equipment items and to make principal and interest payments will differ from depreciation and interest expenses, respectively.

FISCAL YEARS 1988-1992. The financial goal of the utility has been to balance revenues and expenses in FY 1985 and to eliminate

Table VI-3
WATER AND SEWER FUND BUDGET CROSSWALK, FY 1986 AND FY 1987
($ Thousands)

	FY 1986	FY 1987
Budgeted Revenues	177,949	190,033
FY 1986 Preliminary Supplemental	(5,198)	...
Total Revenues	172,751	190,033
Budgeted Expenditures:		
Water and Sewer Utility	148,083	160,647
Washington Aqueduct	14,900	16,229
FY 1986 Preliminary Supplemental	8,408	...
Total Budget	171,391	176,876
Less:		
Expenditures that are not Expenses:		
Principal and capitalized interest	(9,820)	(12,280)
Inventory purchases not issued and equipment purchases	(17,387)	(11,159)
Plus:		
Inventory issues not purchased	...	...
Depreciation	10,015	10,265
Total Expenses	154,199	163,702
Net Income (Loss)	18,552	26,331

in succeeding fiscal years the accumulated deficit by FY 1988. The plan to achieve this goal involves a five-year program of rate increases to establish a revenue base sufficient to finance the spending requirements of the fund; to improve the billing and collection process so that all customers of the utility are billed accurately and collections are made promptly; to identify all properties receiving water and sewer services and ensure that all water meters measure water usage accurately; and to prepare timely, accurate, and useful periodic financial reports about the current and projected status of the utility.

The first goal has been met: the Water and Sewer Fund showed net income of $4.3 million in FY 1985. With the implementation of the new quarterly billing system in FY 1986, the identification of all service addresses, the continuing replacement and repair of all water meters, and the preparation of interim financial reports on a periodic basis, together with the implementation of the approved rate increases annually, the utility will reach the second goal set in the FY 1984 budget of eliminating of the fund's accumulated deficit in FY 1988.

Revenue from fiscal years 1987 through 1992 will continue to reflect the effect of the rate increases; however, the effects of consumer reaction to increased prices of water and sewer service will cumulatively reduce revenue from estimates that are based on current consumption levels. This long-range financial plan assumes that in each year through FY 1992 the utility's customers will conserve about an additional half million gallons per day, reaching a total savings of 2.8 million gallons per day in FY 1992. At rates then to be in effect, the annual revenue loss as a result of conservation will be $9 million; from FY 1987 through FY 1992, the cumulative loss will be $27 million.

Spending projections for the period anticipate complete compliance with the requirements of the plant's operating permit and the consent decree. The plan includes modest pay increases for utility employees and small inflationary increases in the cost of goods and services used by the utility. Interest expense is expected to increase because new bond issues will be needed to finance the construction of several new capital projects. These projects include, for instance, the major water-quality improvement projects in which EPA and user jurisdictions will participate. Depreciation expense also is expected to increase during the period as the new construction adds to the total value of the utility's fixed assets.

After the final rate increase authorized by the 1983 legislation goes into effect in FY 1988, revenue is expected to increase very slightly. FY 1988 expenses also are expected to rise because of inflation, pay adjustments, and some program improvements. In addition, it is likely that new treatment and disposal facilities at Blue Plains will become operational about FY 1991, further increasing expenses. Since a $5.0 million annual loss is projected in FY 1992, it is possible that rate increases in succeeding fiscal years may be necessary to provide adequate financing for utility operations and to maintain the financial soundness of the fund.

Most publicly owned water and sewer utilities finance the cost of capital construction by borrowing funds through the sale of revenue bonds. Issuing debt that is backed by the pledge of future utility revenue frees up the debt service capacity of the local jurisdiction so that more general obligation bonds can be sold for general governmental purposes. In preparing to issue revenue bonds, the Water and Sewer Fund must establish a pattern of generating sufficient revenues to fund the cost of ongoing operations and maintenance and to cover the cost of debt service (i.e., annual principal and interest payments on long-term debt) before it can take advantage of the lower interest rates afforded by revenue bonds.

To compete effectively in the municipal bond market, the fund's utility must eliminate its accumulated deficit and end each fiscal year with an excess of revenues over expenses. More specifically, it must show annually an excess of revenues over operating expenses, excluding depreciation, of at least 125 percent of its annual debt service obligations. By maintaining such a financial ratio, the utility will achieve an investment-grade rating for its bond issues that will minimize the interest paid on its long-term borrowings.

In the next year, the utility, working with the District's financial advisors and central financial management, will develop a strategy for the fund's entry into the revenue bond market, possibly in FY 1988. This strategy will include a description of the financial goals the fund must achieve in the next several years, the level of capital construction to be supported by contributions from operating funds, the level of bond sales the fund will be able to afford, and the rate structure and levels that will be required to achieve the financial goals established for the fund. In addition, planning will incorporate the additional costs of operating new facilities planned for Blue Plains over the next ten years and the impact of those costs on the water and sewer rates.

LOTTERY AND CHARITABLE GAMES FUND FINANCIAL PLAN

The Lottery and Charitable Games Fund was established in FY 1982 to budget and account for the financial operations of the Lottery and Charitable Games Control Board. The board operates an instant lottery and three on-line numbers games: Lucky Numbers, a three-digit game; D.C. Four, a four-digit game; and Lucky Lotto, a pari-mutuel game in which players select 6 out of 36 numbers. The D.C. Four game was introduced in March 1985, Lucky Lotto, in April 1984, and Lucky Numbers, in August 1983. Instant Lottery, the original game, began in August 1982. In addition to conducting these games, the board also investigates agent license applicants and inspects agent premises and enterprises to protect the public from dishonest practices.

Revenue generated by lottery activities is used to finance board operations, and the excess of revenue over expenses is transferred to the General Fund to serve as a source of overall financing for District programs and services. In FY 1987, $47,634,000, or 32.5 percent, of the lottery board's total estimated $146,378,000 revenue is expected to be transferred to the General Fund. This transfer amount includes all the charitable game fees and interest earnings. Table VI-4 presents the Lottery and Charitable Games Fund financial plan for the FY 1983-FY 1992 period.

LOTTERY FUND REVENUE

Of the total $145,878,000 operating revenue projected for FY 1987, $92,668,000 is expected to be generated by the Lucky Numbers game, $26,138,000 by D.C. Four, $16,639,000 by Lucky Lotto, and $10,411,000 by the Instant Lottery. The remaining $22,000 will come from bingo and raffle fees. In addition, the lottery board also will receive approximately $500,000 in earnings from its cash management activities.

In FY 1987, the lottery board expects total operating revenue to increase 12.1 percent over FY 1986 revised estimates, or 35.4 percent over the original FY 1986 budget. This robust growth rate is due to strong public acceptance of the D.C. Four and Lucky Lotto games. In addition, restructuring Lucky Lotto to include low-tier prizes has increased the payoff of small prizes and has led to increased player frequency of the game. In FY 1985, the lottery had operating revenues of $112,004,000, an increase of 30.8 percent over FY 1984. Based on this very favorable sales experience, the board has revised its FY 1986 operating revenue forecasts upward from $107,720,000 to $130,143,000, a 20.8 percent increase. These revised forecasts are due mainly to the vigorous growth generated by Lucky Lotto and D.C. Four, which show revised expected growth rates of 56.2 percent and 291 percent, respectively, over the original FY 1986 budget.

From FY 1988 to FY 1992, total operating revenue is anticipated to increase by about 6 percent annually, with the actual rate of growth stabilizing in the later years. Revenue from the Instant Lottery is expected to stabilize in FY 1988 and to remain constant at about $10,000,000 annually through FY 1992. These revenue estimates assume that four Instant Lottery games will be conducted annually, each generating about $2,500,000.

Table VI-4
LOTTERY AND CHARITABLE GAMES FUND FINANCIAL PLAN, FY 1982-FY 1991
($ Thousands)

	FY 1983	FY 1984	FY 1985	FY 1986 Budget
Operating Revenue:				
Sales:				
Instant Lottery	...	16,448	8,647	16,000
Lucky Numbers	...	66,720	85,737	78,000
Lotto	...	2,423	7,340	7,800
D.C. Four	...	...	10,236	5,500
Fees:				
Raffles	...	3	4	10
Bingo	...	5	5	10
Miscellaneous	...	16	8	400
Total Operating Revenue	54,071	85,615	112,004	107,720
Operating Expenses:				
Administrative:	...	2,683	3,528	4,151
Ticket Distribution	...	1,053	1,142	1,026
Prizes	...	44,839	57,913	54,650
Agent commissions	...	4,875	6,123	6,049
Contractor fees	...	2,809	3,484	3,095
Consultant fees	...	736	683	400
Advertising	...	3,774	4,446	4,000
Total Operating Expenses	41,893	60,769	77,319	73,371
Operating Income (Loss)	12,178	24,846	34,685	34,349
Nonoperating Rev. (Expenses):				
Interest	285	697	788	500
Income (Loss) Before Operating Transfers	12,463	25,543	35,473	34,849
Operating Transfers In(Out)	(12,004)	(25,278)	(35,469)	(34,849)
Net Income (Loss)	459	265	4	...
Retained Earnings (Deficit) at Beginning of Year	413	872	1,137	1,141
Retained Earnings (Deficit) at End of Year	872	1,137	1,141	1,141

PROPRIETARY FUNDS

FY 1986 Revised	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
10,411	10,411	10,000	10,000	10,000	10,000	10,000
86,022	92,668	94,450	94,316	98,275	100,339	102,519
12,183	16,639	19,135	22,005	25,306	29,102	33,467
21,505	26,138	29,941	34,298	39,288	45,004	51,552
12	12	12	12	10	12	12
10	10	10	10	10	10	10
...	...	...	...	...	...	...
130,143	145,878	153,548	160,641	172,891	184,467	197,560
4,151	5,458	5,458	5,458	5,458	5,458	5,458
765	765	765	765	765	765	765
66,846	75,095	79,066	81,916	88,163	94,067	100,744
7,262	8,110	8,444	8,834	9,508	10,144	10,865
3,950	4,334	4,606	4,015	4,322	4,611	4,938
1,075	557	500	250	250	75	75
4,000	4,100	4,100	4,100	4,100	4,100	4,100
88,049	98,419	102,939	105,338	112,566	119,220	126,945
42,094	47,459	50,609	55,303	60,325	65,247	70,615
500	500	750	750	1,000	1,000	1,250
42,594	47,959	51,359	56,053	61,325	66,247	71,865
(41,822)	(47,634)	(50,919)	(55,553)	(59,922)	(64,913)	(69,583)
772	325	440	500	1,333	1,334	2,282
1,141	1,913	2,238	2,678	3,178	4,511	5,845
1,913	2,238	2,678	3,178	4,511	5,845	8,127

The on-line games will contribute the primary source of revenue growth over the FY 1988-FY 1992 forecast period. The three-digit game will continue as the board's mainstay, providing an average 57 percent of ticket sales and growing at about an annual compounded rate of 2 percent. The Lucky Lotto and D.C. Four games will generate the highest rate of growth at annual compounded rates of 15 percent and 14.5 percent, respectively. The board, through management initiatives and industry innovations, will continue its efforts to obtain maximum productivity from all games in order to meet its revenue targets. The lottery board's revenue estimates are based on trends experienced by the lottery industry nationwide. In general, state-run lotteries are gaining increasing public acceptance in all areas of the country because of the increasingly higher prizes being paid by lotto games.

LOTTERY FUND EXPENSES

An estimated 67.5 percent, or $98,419,000, of revenue will be used to pay lottery board expenses in FY 1987. These expenses are as follows: $75,095,000 for prize money, $8,110,000 for agent commissions, $4,334,000 for fees to contractors, $5,458,000 for administrative expenses, $4,100,000 for advertising, $765,000 for ticket distribution, and $557,000 for direct charges such as consultant fees. Only the board's administrative expenses are funded from appropriated authority.

In FY 1987 the lottery board plans to maintain its strength of 94 continuing full-time positions. The board also plans to add 9 temporary positions. These positions will result in lower operating costs because they will enable management to assume the responsibilities for ticket distribution and inventory control currently performed by higher-cost contractors.

Total operating expenses also will increase over the forecast period, but the expected annual rate of increase will be held to no more than 5 percent. Through planned management efficiencies in overall administration, the lottery operation will experience through FY 1992 a gradual decline in total operating expenses as a percentage of total operating revenue. The planned downward trend would go from 67.5 percent in FY 1987 to about 64.3 in FY 1992. The board's cost-control program will permit the amount of the revenue transferred to the General Fund to increase from 32.5 percent of total revenue in FY 1987 to about 35 percent in FY 1992.

D.C. GENERAL HOSPITAL FUND

As the only public hospital in the District of Columbia, D.C. General Hospital provides a wide range of high-quality health services to District citizens regardless of their ability to pay. The 500-bed hospital serves as the comprehensive acute-care hospital for persons in federal and District-supported, long-term care facilities and District correctional institutions. In addition to offering inpatient, outpatient, emergency, preventive, and rehabilitative services, D.C. General meets the needs of persons referred by ambulatory clinics operated by the D.C. Department of Human Services and the needs of special groups, such as the elderly, the handicapped, substance abuse patients, and victims of violence. In FY 1985, the hospital discharged 14,450 patients, provided to 82,353 emergency room and 122,103 outpatient visits, and conducted 3,260 major surgeries and 13,969 ambulatory surgeries.

D.C. General Hospital is governed by a commission appointed by the Mayor and confirmed by the District Council. Most of the physicians using the facility are affiliated with Howard University and Georgetown University medical schools. The hospital serves not only as a major teaching center for students from these schools, but also as a training site for nursing students, physician assistants, physical and occupational therapists, social workers, and others. Through its university affiliations, D.C. General conducts and participates in various research programs.

FINANCES OF THE HOSPITAL

The hospital's financing comes from two main sources: payments from third-party payers and a subsidy from the District's General Fund. In FY 1985, hospital revenue was $51.1 million, of which District and federal Medicaid reimbursements contributed 92 percent. Minor sources of revenue included reimbursements for services rendered to Saint Elizabeths hospital patients, the sale of steam to the D.C. Department of Corrections, and cafeteria sales. The General Fund subsidy, supported by District tax revenue, provided 47 percent of the total FY 1985 financing.

Over 68 percent of the hospital's expenses were for personal services in FY 1985, with another 13 percent for contractual services and 12 percent for supplies. Although not included in the hospital's budget, depreciation is shown on the hospital's income statement; it was 3 percent of total expenses in FY 1985. The hospital plant was financed, however, by long-term General Fund debt.

Table VI-5
D.C. GENERAL HOSPITAL FUND FINANCIAL PLAN, FY 1984-FY 1992
($ Thousands)

	FY 1984	FY 1985	FY 1986
Revenue:			
Medicaid reimbursements	40,997	47,152	43,700
Other reimbursements	3,231	794	5,837
Intra-District charges	2,868	3,032	2,842
Federal grants	128	104	121
Private grants	28	...	...
Total Revenue	47,252	51,082	52,500
Operating Expenses:			
Personal services	62,441	64,700	67,800
Professional services	1,891	2,000	2,100
Other contractual services	8,667	10,500	12,000
Supplies	11,086	11,100	12,300
Occupancy costs	...	...	...
Depreciation	2,944	2,945	3,500
Miscellaneous	3,000	3,506	3,950
Savings program	...	...	(800)
Total Operating Expenses	90,029	94,751	100,850
Income (Loss) Before Before Operating Transfers	(42,777)	(43,669)	(48,350)
Operating transfers in (out) General Fund	43,100	45,500	48,350
Net Income (Loss)	(323)	1,831	...
Retained Earnings (Deficit) at Beginning of year	(10,814)	(10,491)	(8,660)
Retained Earnings (Deficit) at End of Year	(10,491)	(8,660)	(8,660)

PROPRIETARY FUNDS

FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
46,600	48,100	50,700	53,500	56,600	59,700
6,024	6,749	7,449	7,749	8,049	8,649
2,150	2,330	2,330	2,430	2,630	2,730
121	121	121	121	121	121
...	...	...	...	...	...
54,895	57,300	60,600	63,800	67,400	71,200
71,600	75,000	78,900	82,600	86,900	90,900
2,100	2,200	2,300	2,500	2,600	2,700
10,500	11,100	11,800	12,200	13,100	13,700
14,400	15,500	16,800	18,100	19,600	21,200
...	...	...	...	...	...
3,800	4,000	4,200	4,600	4,800	5,100
3,700	3,900	4,200	4,400	4,600	4,900
(275)	(100)	...	(100)	(100)	...
105,825	111,600	118,200	124,300	131,500	138,500
(50,930)	(54,300)	(57,600)	(60,500)	(64,100)	(67,300)
50,930	54,300	57,600	60,500	64,100	67,300
...	...	...	...	...	...
(8,660)	(8,660)	(8,660)	(8,660)	(8,660)	(8,660)
(8,660)	(8,660)	(8,660)	(8,660)	(8,660)	(8,660)

FISCAL YEAR 1985 RESULTS. At the beginning of FY 1985, the D.C. General Hospital Fund had an accumulated deficit of $10.5 million. As shown in Table VI-5, FY 1985 operating expenses of $94.8 million exceeded revenue by $43.7 million, but with the $45.5 million General Fund subsidy, the fund showed a $1.8 million net income for the year. This net income reduced the accumulated deficit to $8.7 million.

FISCAL YEAR 1986. During FY 1986 hospital revenue is expected to increase $1.4 million, or 2.7 percent. The hospital estimates FY 1986 expenses at $100.9 million. With only a $48.4 million subsidy from the General Fund, however, the fund would show a $800,000 loss for the year. In the face of an $8.7 million accumulated fund deficit, an important financial management goal for the hospital is to reduce expenses or increase revenue by $800,000 during the rest of the fiscal year to avoid this loss.

FISCAL YEAR 1987. The proposed FY 1987 financial plan for the D.C. General Hospital Fund is based on $54.9 million in revenue, a 4.5 percent increase over FY 1986. Expenses are estimated by the hospital at $105.8 million, a 4.4 percent increase. The subsidy included in the proposed FY 1987 General Fund budget is $50.9 million. This transfer into the hospital fund will not be enough to avoid a $275,000 loss unless the management again takes the initiative to hold spending down during the year to save an equivalent amount.

FISCAL YEARS 1988-1992. The financial plan for the fund for FY 1988 through FY 1992 assumes no programmatic changes, only increases in the revenue and expense categories reflecting inflation. To avoid annual losses, however, the hospital forecasts a 5.5 percent average annual compounded growth in the General Fund subsidy.

UNIVERSITY OF DISTRICT OF COLUMBIA FUNDS

The University of the District of Columbia (UDC) is the nation's only urban land-grant university. Governed by a board of trustees and accredited by the Middle States Association of Colleges and Schools, UDC offers a comprehensive program tailored to the needs of an urban constituency. The university has 6 certificate, 43 associate, 70 baccalaureate, and 18 master's degree programs. In FY 1985 the university awarded 875 degrees. Its degree-granting programs are organized under a five-college structure that includes the Colleges of Liberal and Fine Arts, Business and Public Management; Education and Human Ecology; Life Sciences; and Physical Science, Engineering and Technology. A Graduate Studies Division coordinates master's degree programs.

The university also has established a University College, which is the point of entry into the institution for all new and transfer students with fewer than 30 semester hours. Enrollment projections in various programs for the 1986 fall semester (1986-87 academic year) is estimated to be 12,080, or a full-time equivalent student enrollment of 7,411.

In addition to its degree programs, UDC provides other services to the District community. Through its Cooperative Extension Service, it conducts free and noncredit classes and workshops in such areas as horticulture, community resources development, 4-H, and home economics. The university's Center for Applied Research and Urban Policy assists the District government in fostering economic development by offering management training to small businesses and providing a series of programs in the public schools, such as gifted and talented students' education, student career guidance, and teacher training and professional development. The center also develops grant applications and conducts research on such topical issues as infant mortality and relationships between the Black and Jewish communities. The continuing education program of the university offers adult education classes and conducts professional development courses for District agencies such as the Metropolitan Police Department.

UNIVERSITY FUND STRUCTURE

The University of the District of Columbia uses nine funds to account for and budget the financial activities of the university: seven are for the operating program, and two are for the capital program. These funds, shown in Table VI-6, are consolidated in the District government's financial reports and in the financial plans in this budget. In FY 1987, total revenue of the consolidated funds is estimated at $86 million. The largest fund, the unrestricted university fund, includes 80 percent of the university's resources.

University expenditures are appropriated directly in the General Fund and are financed by General Fund revenue. Unlike its budgetary presentation, the District's accounting procedure shows university expenditures and expenses directly in the university funds and presents the General Fund financing as a transfer into those consolidated funds.

Funds 413 and 414 account for the revenue and expenses associated with grants from and contracts with the federal government and the private sector, respectively. Those funds are self-supporting; together they are estimated to contribute only 7 percent of university resources in FY 1987.

Table VI-6
UNIVERSITY FUNDS FOR OPERATING PROGRAM, FY 1987 ($ Thousands)

Fund, Name and Code	Revenue and Tranfers-in	Expenses	Net Income (Loss)
Unrestricted University, 406	69,015	73,090	(4,075)*
Federal Grants, 413	6,128	6,128	...
Private Grants, 414	42	42	...
Restricted University, 415:			...
Postsecondary Education	1,658	2,315	(657)
Other	7,618	8,294	(676)
Intra-District, 416	1,344	1,344	...
Subtotal, University Operational Budget	85,805	91,213	(5,408)
Student Loan, 408	50	50	...
Endowment, 409 (asset acct)	N/A	N/A	N/A
Consolidated University Funds	85,855	91,263	(5,408)

*This amount is for depreciation, which is not budgeted.

University own-source revenue is recorded in the unrestricted university fund. This fund is divided into two parts, the postsecondary education fund and other revenue. The postsecondary education fund is subdivided into activity-related fees and administrative fees. Of the total $1,658,000 revenue expected to be earned by the postsecondary education fund in FY 1987, $235,000 will come from administrative fees, such as charges for course changes and late registration, concessions, such as the bookstore and vending machines, and income earned on the investment of the available fund cash. Postsecondary revenue supports discretionary expenditures by the board of trustees and the university vice presidents, maintenance of the university president's residence, and a $100,000 contingency fund. The remaining $1,423,000 revenue from the postsecondary education fund will be generated by various student government and athletic fees, library fines, and laboratory fees and will be restricted to use as the accounts designate. Gifts and donations are also in this fund and are used as directed by the donor.

The other revenue in the restricted university fund comes from student tuition and endowment income. Other revenue, expected to total $7.6 million in FY 1987, finances the overall university program and is transferred to the unrestricted university fund during the year to cover losses in that fund.

The intra-District fund, providing 2 percent of the university's resources, earns revenue from educational and training programs under the Job Training Partnership Act programs, the Lorton Prison college program, and the D.C. Corrections Educational Services program.

Those five funds, the unrestricted and restricted university funds, the federal and private grant funds, and the intra-District fund, make up the university's operational program. In FY 1987, these expenses are $91.3 million and, without the $4.1 million depreciation, equal the FY 1987 university total budget of $87.2 million.

The remaining two university funds are of minor importance to university finances. The student loan fund is a small, self-supporting fund, with the repaid principal and interest on past student loans used to make new loans. The endowment fund contains only the invested assets from endowments; interest earnings are reported in the other revenue portion of the restricted university fund.

FINANCIAL PLAN, FISCAL YEARS 1984-1987

The consolidated university funds are expected to generate $16.7 million in revenue in FY 1987. That revenue will come from three main sources: tuition, 41 percent of the total; federal grants, 37 percent; and intra-District charges, 8 percent. Altogether these sources provide for 17 percent of total financing. The bulk of the financing comes from the District's General Fund as a subsidy. In FY 1987, this transfer is budgeted at $69.0 million.

Most of the university's expenses are for personal services, 66 percent in FY 1987. The next largest share is for rent, utility, and communications costs (occupancy costs), 10 percent. Depreciation will account for 5 percent of the total.

FISCAL YEAR 1985 RESULTS. In FY 1985 the consolidated university funds had revenue of $17.4 million, expenses of $88.0 million, and a loss before transfers of $70.6 million. With the General Fund transfer-in of $64.9 million, the funds showed a loss of $5.7 million. Because generally accepted university accounting principals prohibit showing depreciation as an operating expense, the 4.0 million in depreciation appears as a reduction from the cost of the plant asset and contributed capital.

the funds' retained earnings decreased by only $1.7 million. At September 30, 1985, the university's retained earnings were $11.4 million. Of this amount, $7.2 million is the corpus of the endowment, and $0.6 million is a federal loan guarantee.

FISCAL YEAR 1986. The FY 1986 financial plan contains revenue of $16.2 million and expenses of $88.5 million for a loss before transfers of $72.3 million. The $67.7 million General Fund subsidy is expected to reduce this loss to $4.6 million, and when the estimated $4.1 million depreciation is closed to contributed capital, the decrease in retained earnings is expected to be $0.5 million.

The estimated FY 1986 annual loss and the reduction in retained earnings of the consolidated university funds are financed by reducing the accumulated balance in the restricted university fund. At the beginning of the year, that balance was $4.9 million, but spending in that fund will be $2.7 million in order to avoid a potential loss in the unrestricted university fund. Therefore, the fund balance will be drawn down by $1.5 million at the end of the fiscal year.

FISCAL YEAR 1987. The financial plan proposed for FY 1987 is aimed at containing university costs and increasing reliance on university revenue for a greater share of financial support. FY 1987 revenue is estimated at $16.8 million, an increase of $646,000, or 4.0 percent, over FY 1986. By raising tuition rates for undergraduate and graduate resident and nonresident students, revenue from this source is anticipated to increase 16.8 percent. Table VI-7 shows the present and proposed tuition rates. Revenue from federal sources is expected to increase only 2.5 percent, however, and decreases are anticipated in the other sources.

Table VI-7
UNIVERSITY TUITION RATES*, FY 1985-FY 1987

	FY 1985	FY 1986	FY 1987
Undergraduate			
Resident	$ 462	$ 462	$ 600
Nonresident	2,310	2,310	2,400
Graduate			
Resident	1,090	1,090	1,200
Nonresident	2,310	2,310	2,400

*Full-time student tuition

In a major effort to pare costs, the university is absorbing about $5.0 million of its projected needs in FY 1987. Immediate action is being taken to freeze recruitment to save $1.7 million of that sum. In addition, the university is developing a comprehensive management plan to guide the restructuring of the university program in the short- and long-term. Reducing costs while preserving the integrity of the academic and instructional programs are the twin objectives of this effort.

Expenses in FY 1987 are planned to increase by $2.8 million, from $88.5 million budgeted in FY 1986 to $91.3 million. A 4 percent pay adjustment will be made in nonfaculty salaries, and a recent pay settlement will raise faculty salaries by a minimum of 4.5 to a maximum of 6.5 percent, depending on the Consumer Price Index. Since the settlement also granted the faculty additional 2 to 5 step increases, the university wage bill could increase by more than 7 percent in FY 1987. However, personal services costs are planned to increase only 1 percent, or $611,000, reflecting the university's commitment to effect major labor savings.

Contractual services are planned to increase by $2.0 million in FY 1987 because maintenance and repair of new equipment deferred in FY 1986 can be postponed no longer, and certain inflationary costs must be met. In addition, $0.5 million for the postsecondary fund is temporarily budgeted in contractual services until spending plans are definite.

Miscellaneous expenses will increase by $0.6 million. Although spending on current programs in this category will decrease by $0.7 million, $1.3 million is budgeted in FY 1987 for the first time for the possible addition of the Antioch Law School to the university. This merger must be approved by the university board of trustees and the District Council. All other categories of university expenses will decrease in FY 1987.

At the end of FY 1987, the consolidated university funds will show a loss before the transfer of $74.4 million. The General Fund transfer will be $1.3 million higher than FY 1986 levels, or $69.0 million, to provide financing for the Antioch Law School. This transfer-in will reduce the loss to $5.4 million. After depreciation is closed to contributed capital, the retained earnings of the consolidated university funds will decrease $1.3 million. This loss will be financed by another reduction in the restricted university fund balance.

One of the goals of the comprehensive management plan is to restructure university finances to eliminate annual decrements in retained earnings. Another important goal of that plan is to develop a long-range financial plan.

Table VI-8
UNIVERSITY OF THE DISTRICT OF COLUMBIA FUND FINANCIAL PLAN,
FY 1984-FY 1987 ($ Thousands)

	FY 1984	FY 1985	FY 1986	FY 1987
Revenue:				
Tuition	5,685	6,183	5,837	6,818
Intra-District charges	1,267	1,721	1,544	1,344
Federal grants and contracts	6,431	5,678	5,974	6,128
Private grants and contracts	117	188	141	42
Land-grant endowment income	752	1,110	800	800
Auxiliary enterprises	309	366	223	160
Investment income	695	531	255	225
Miscellaneous	2,169	1,634	1,420	1,323
Total Revenue	17,425	17,410	16,194	16,840
Expenses:				
Personal services	58,538	61,168	59,387	59,998
Contractual services	5,130	5,510	5,517	7,489
Supplies	864	1,057	1,283	1,068
Occupancy costs	7,163	7,960	8,695	8,517
Depreciation	3,816	4,048	4,060	4,075
Miscellaneous	8,329	8,313	9,520	10,116
Total Expenses	83,840	88,056	88,462	91,263
Income (Loss) Before Operating Transfers	(66,415)	(70,646)	(72,268)	(74,423)
Operating transfers in (out):				
General Fund	60,842	64,933	67,715	69,015
Net Income (Loss)	(5,573)	(5,713)	(4,553)	(5,408)
Depreciation closed to contributed Capital	3,816	4,048	4,060	4,075
Increase (Decrease) in Retained Earnings	(1,757)	(1,665)	(493)	(1,333)
Retained Earnings (Deficit) at Beginning of year	14,844	13,087	11,422	10,929
Retained Earnings (Deficit) at End of year	13,087	11,422	10,929	9,596

THE CONVENTION CENTER FUND

The Convention Center Fund budgets and accounts for all financial activities related to the operation of the Washington Convention Center and the marketing activities of the Washington Convention and Visitors Association, the D.C. Committee to Promote Washington, and the D.C. Chamber of Commerce.

The Washington Convention Center, a large and versatile facility located in the heart of the District, is designed to host national and international conventions, trade shows and meetings, and floor-exhibit events. Open since December 1982, the center already has proved to be the showcase of the District's efforts to stimulate jobs, increase the revenue base, and revitalize the local economy.

During FY 1985, its second full fiscal year of operation, the center hosted 26 national shows that generated 59 percent of its $5 million operating revenue. Other shows hosted in FY 1985 included 31 public and multiple-day exhibit shows and 140 local shows. Together, these shows attracted 283,200 out-of-town convention delegates and exhibitors to the District.

The convention center's design and policies are aimed primarily at regularly attracting large national and international conventions, trade shows, meetings, and flat-floor exhibit events that until the opening of the center had been too large to meet in the nation's capital. In FY 1987, the convention center projects that it will host 26 national shows. Although these shows will be smaller in size and scope than the shows held in FY 1985, they will attract almost 220,000 out-of-town convention delegates to the District.

The District's major benefit from the convention center is tax or spin-off revenue resulting from center-related development projects and conventioneer spending. Even in fiscal 1984, the first full fiscal year of operation, spin-off revenue was estimated at over $44 million annually. The District tax revenue resulting from delegate spending and from new hotels, restaurants, and retail and office space will exceed $96 million in fiscal 1990. The details of these forecasts are in Appendix D, Tables D-1 and D-2. The new jobs that would be generated by the convention center were originally estimated to total 3,500 to 6,500 by FY 1987. With the boom in the hotel industry, however, the latest projection is for 7,400 to 8,000 new jobs by FY 1988.

Table VI-9
CONVENTION CENTER CAPITAL APPROPRIATIONS AND FUNDING,
FY 1978-FY 1984 ($ Thousands)

Appropriation/Phase	FY 1978	FY 1979	FY 1980
Preliminary Survey	600	...	...
Site Acquisition[a]	21,400	...	...
Construction Services	5,000	...	1,000
Construction	...	...	44,000
Equipment	...	...	...
Total	27,000	...	45,000

[a] Site acquisition includes acquisition of land, relocation, demolition, and site preparation.

FINANCING THE CENTER

On June 5, 1978, when Congress approved the District's FY 1978 budget, $27 million was appropriated for initial work on the center. As shown by Table VI-9, another $45 million was appropriated in FY 1980 to begin construction, followed by a $26.7 million appropriation a year later to complete the project. Since the time the project costs were first estimated, there has been considerable unanticipated inflation and other unexpected events. The costs of relocating businesses and residents from the site exceeded original estimates slightly and required $744,000 as an FY 1982 General Fund supplemental appropriation. Of that financing, $242,000 was not required and, therefore, was reprogrammed to the construction phase in FY 1983. In FY 1984, two additional changes were necessary: $1.0 million was appropriated in a supplemental request for the design and construction of an administrative annex, and $1.2 million was reprogrammed from other District projects for project management and outstanding construction claims.

FY 1981	FY 1982	FY 1983	FY 1984	Total
...	...	...	41	641
...	744	(242)	...	21,902
700	...	...	465	7,165
23,000	...	242	1,746	68,988
3,000	...	...	...	3,000
26,700	744	...	2,252	101,696

As shown in Table VI-10, $100.9 million has been spent on convention center capital construction through FY 1985. By FY 1986, when the annex is complete, total costs are expected to be $101.9 million. After adjusting for the annex enhancement, the project expenditures will be within 3 percent of costs estimated eight years earlier.

The construction of the convention center was financed through a long-term U.S. Treasury loan to the District's Capital Projects Fund. The General Fund pays debt service on that loan. Apart from about $300,000 for relocation costs financed by the center's operating budget, most of the center's site-acquisition costs were financed by a short-term loan from the Capital Projects Fund. The convention center repaid this loan by the end of FY 1982, using revenue from taxes allocated for this purpose and for financing the operating costs of the center in early years. The estimated annual debt service payment on the borrowings for construction was $380,000 in FY 1981 and will grow to an estimated $8,956,000 in FY 1991 (see Table VI-11). By refinancing several high-interest U.S. Treasury notes in FY 1985 at considerably lower rates, the estimated annual debt has since decreased by $ 1.5 million for FY 1988 and later years.

Table VI-10
CONVENTION CENTER CAPITAL EXPENDITURES, FY 1979-FY 1986
($ Thousands)

Expenditures	FY 1979 Actual	FY 1980 Actual	FY 1981 Actual	FY 1982 Actual
Preliminary Survey	587	...	...	...
Construction Services	1,876	1,288	21	1,437
Construction	...	5,512	18,794	34,209
Equipment	...	...	...	419
Subtotal	2,463	6,800	18,815	36,065
Site Acquisition	14,827	5,819	815	211
Total	17,290	12,619	19,630	36,276

The operating costs of the convention center fund are financed from two sources. First, the convention center earns operating revenue from rentals paid by exhibitors for exhibit space, meeting rooms, communication services, the sale of other services, and concession and parking fees. In addition, revenue from three taxes is allocated to cover operating costs: a hotel occupancy tax of $1 per occupied room per night and a 5 percent surtax on the 10 percent corporation franchise tax and the unincorporated business franchise tax. All the revenues from this surtax are available to finance the convention center.

Forty percent of the hotel tax is dedicated to finance the fund's promotional activities, with fixed shares channeled through the center to the Washington Convention and Visitors Association and the D.C. Committee to Promote Washington, as mandated by D.C. Law 4-137. To facilitate financial planning, the District uses prior-year collections from the hotel tax as the basis for the succeeding year's promotion and tourism budget.

FY 1983 Actual	FY 1984 Actual	FY 1985 Actual	FY 1986 Estimate	Total
...	...	38	...	625
2,059	293	9	107	7,090
8,723	732	164	964	69,098
2,170	411	...	...	3,000
12,952	1,436	211	1,071	79,813
230	217	...	...	22,119
13,182	1,653	211	1,071	101,932

Until the FY 1985 budget, annual District budgets showed revenue from these taxes in the convention center fund, and any cash that was estimated to exceed $500,000 at year-end was budgeted as General Fund revenue, since excess cash must be transferred back to the General Fund. Starting in FY 1985, however, the District budgeted tax revenue in the General Fund, and a transfer to the Convention Center Fund adequate to cover its operating expenses and other cash needs was part of the General Fund appropriation request. This treatment is in accordance with the District's audited financial statements and the recommendation of the District's independent auditor.

Another change in the convention center financing that began in FY 1985 is the initiation of a budgeting procedure already established for the D.C. General Hospital: the only request for an appropriation is contained in the General Fund budget as a transfer-out. Convention center fund spending is not appropriated. Rather, this spending is financed by the total of private and other revenue--that is, by the sum of the center's operating revenue and the transfer-in from the General Fund. Double-counting appropriation requests, therefore, is avoided.

THE CENTER'S FY 1987 EXPENDITURE PROGRAM

Notwithstanding the change in budgeting procedure, the FY 1987 budget presents the full details of the convention center fund expenditure program for the next fiscal year. Thus, the Supporting Schedules contain complete justifications. Such a full discussion is necessary to show exactly how District taxpayers' money will be used through the General Fund transfer and how the center as a public enterprise conducts its finances.

In FY 1987, the District proposes a spending plan for the convention center of $10,607,000, a $1,939,000 decrease from the center's FY 1986 planned expenditures. Reduced spending in FY 1987 is made possible by removing from the FY 1986 budget base nonrecurring funding for food service equipment purchased in FY 1986 and nonrecurring funding for building improvements, equipment rental, professional services, and maintenance services. The personal services budget provides full funding for the center's continuing full-time staff and pay adjustments.

The nonpersonal services budget of $6,004,000 includes $100,000 in increases for roof, escalator, and safety and security equipment repairs and $300,000 for the replacement of carpets and equipment for building maintenance and set-up. Promotional expenses of the convention center, the Washington Convention and Visitors Association, and the D.C. Committee to Promote Washington increased by $194,000 because revenue from the dedicated share of the hotel occupancy tax increased.

A FINANCIAL PLAN FOR FY 1987 AND THE FUTURE

At the end of FY 1982, when the site-acquisition loan had been fully repaid, the convention center fund had accumulated retained earnings of $22.3 million. As shown by Table VI-12, convention center retained earnings decreased in FY 1984 by $1.5 million, the amount of the loss on the center's FY 1984 income statement. The enterprise fund showed a loss for two reasons. First, $1.6 million in cash had to be transferred back to the General Fund to reduce the center's cash to the maximum $500,000 level. Second, the taxes allocated to the center do not cover depreciation expense, which is a noncash item, not an expenditure. Depreciation was $1.5 million in FY 1983. The $7.8 million transferred from the General Fund, plus the center's revenue, was not sufficient to cover all the operating expenses, which included depreciation ex- penses and the cash transfer.

The FY 1985 income statement shown in Table VI-12 contains a full-year depreciation of $2.4 million. The General Fund transfer-in, designed to cover the difference between operating expenditures and operating revenue plus interest, was $6.9 million. However, the convention center fund transferred back to the General Fund $1.2 million in cash that was in excess of the $500,000 maximum year-end balance, leaving a net transfer-in of $5.7 million. Since operating revenue generated by the center amounted to $5.0 million, the total resources available to the center totaled $10.7 million. This was $1.9 million less than total expenses, including depreciation. The FY 1985 loss would have been greater if actual operating revenue had not exceeded the amount budgeted by $1.0 million.

Currently, there is no need to revise the FY 1986 financial plan. Total expenses forecast at $12.8 million will exceed revenue by $8.7 million, and the $8.4 million General Fund transfer-in will eliminate all but a $0.3 million loss.

Table VI-11
ESTIMATED DEBT SERVICE FOR CONVENTION CENTER CONSTRUCTION BORROWING ($ Thousands)

Year	Debt Service
FY 1981	$ 380
FY 1982	1,288
FY 1983	4,479
FY 1984	9,821
FY 1985	10,439
FY 1986	9,733
FY 1987	8,985
FY 1988	8,956
FY 1989	8,956
FY 1990	8,956
FY 1991	8,956

The financial plan for FY 1987 resumes the pattern of annual losses driven by depreciation. Operating revenue plus interest income for the upcoming fiscal year is forecast at $4.3 million, $0.6 million lower than FY 1985 total revenue. The smaller size and different type of the 26 national events booked for FY 1987 will mean lower revenue from space rentals and electrical and telephone service than that earned from the 31 national shows and multiple-day exhibits held in FY 1985. Concession revenue

Table VI-12
CONVENTION CENTER FUND FINANCIAL PLAN, FY 1983-FY 1992
($ Thousands)

	FY 1983	FY 1984	FY 1985	FY 1986
Revenue:				
Building rental	862	1,837	2,278	1,660
Exhibition services	361	1,070	1,426	992
Communications	143	506	647	295
Concessions	158	397	366	961
Miscellaneous	76	146	247	267
Total Revenue	1,600	3,956	4,964	4,175
Expenses:				
Convention center program:				
Personal services	2,240	3,511	4,204	4,110
Contractual services	955	1,300	1,272	1,575
Supplies	243	416	449	472
Occupancy costs	1,033	1,567	1,626	1,158
Depreciation	1,510	2,142	2,352	2,500
Miscellaneous	311	692	653	926
Total convention center expenses	6,292	9,628	10,556	10,741
Promotion program:				
Convention Center	220	325	325	280
Washington Convention & Visitor's Association	938	800	900	914
D.C. Committee to Promote Washington	703	675	675	686
D.C. Chamber of Commerce	...	100	125	225
Total promotion Program expenses	1,861	1,900	2,025	2,105
Total expenses	8,153	11,528	12,581	12,846
Income (loss) before operating transfers	(6,553)	(7,572)	(7,617)	(8,671)
Operating transfers in (out):				
General Fund	6,109	6,978	5,739	8,371
Net income (loss)	(444)	(594)	(1,878)	(300)
Retained earnings (deficit) at beginning of year	22,284	21,840	21,246	19,368
Retained earnings (deficit) at end of year	21,840	21,246	19,368	19,068

FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
2,024	2,500	2,675	2,862	3,062	3,276
1,192	1,700	1,819	1,946	2,082	2,228
509	800	856	916	980	1,049
519	900	963	1,030	1,102	1,179
102	600	642	687	735	786
4,346	6,500	6,955	7,441	7,961	8,518
4,603	4,847	5,130	5,402	5,716	6,020
1,402	1,491	1,569	1,651	1,737	1,827
472	494	517	541	566	593
1,235	1,331	1,417	1,509	1,608	1,714
2,500	2,500	2,500	2,500	2,500	2,500
596	613	474	486	498	511
10,808	11,276	11,607	12,089	12,625	13,165
228	275	287	300	314	328
1,055	1,102	1,152	1,204	1,158	1,210
791	827	864	902	945	987
225	225	225	225	225	225
2,299	2,429	2,528	2,631	2,640	2,750
13,107	13,705	14,135	14,720	15,265	15,915
(8,761)	(7,205)	(7,180)	(7,279)	(7,304)	(7,397)
6,261	4,705	4,680	4,779	4,804	4,897
(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
19,068	16,568	14,068	11,568	9,068	6,568
16,568	14,068	11,568	9,068	6,568	4,068

from the food service operation also will be lower than forecast for FY 1986 for the same reasons. The total budget for the convention center, including the promotion activities of the non-center organizations, is $10.7 million. All planned expenditures are expected also to be expenses. Only $8.3 million of the total fund budget, however, is for convention center operations. The remaining $2.4 million is for promotional activities of the center, the Washington Convention and Visitor's Association, the D.C. Committee to Promote Washington, and the D.C. Chamber of Commerce.

Including $2.5 million for depreciation, total FY 1987 convention center fund expenses are $13.1 million, $8.8 million greater than revenue. The $6.3 million transfer-in from the General Fund reduces the estimated annual fund loss to $2.5 million, the amount of the depreciation (see Table VI-13 for a crosswalk between budget and expenses).

The FY 1987 transfer from the General Fund is $2.1 million lower than the $8.4 million budgeted for FY 1986. Excluding the dedicated part of the hotel occupancy tax that finances the promotional activities of the center, the Washington Convention and Visitor's Association, and the D.C. Committee to Promote Washington, the transfer-in required to support the operating activities of the convention center and promotional activities of the D.C. Chamber of Commerce is $4.2 million.

Table VI-13
CONVENTION CENTER FY 1987 BUDGET CROSSWALK ($ Thousands)

Operating revenue and interest	$ 4,346	
Transfer-in from General Fund	6,271	
Resources available		10,607
Budget	10,607	
Plus depreciation expense	2,500	
Total expense		13,107
Annual Income (Loss)		$(2,500)

The convention center fund's long-range financial plan contains relatively few programmatic changes. Operating revenue is expected to rebound in FY 1988, with the cyclical increase in bookings of large national events. The level of these bookings is expected to stay fairly constant through FY 1992. The long-range expenditure program contemplates annual carpet replacements and miscellaneous safety and security improvements. Other future spending includes the costs of exterior building cleaning, caulking, replacement and purchase of some building maintenance and set-up equipment, and further enhancements of the electrical system to meet exhibitors' needs. The major focus of the long-range financial plan, however, will be to double revenue over the next five years and to keep operating costs at a minimum. By the end of the planning period, the need for an annual General Fund transfer is expected to decrease to $4.9 million.

CABLE TELEVISION FUND FINANCIAL PLAN

The Cable Television Communications Act of 1981 (D.C. Law 4-142) established the Cable Television Enterprise Fund to account for the financial operations of the Office of Cable Television according to enterprise fund standards. The Office of Cable Television monitors the installation and operation of the District's cable television system to ensure compliance with cable television laws and agreements. It manages the use of municipal channels, resolves disagreements involving the franchisee, subscribers, and user groups, and educates the public on the use and benefits of cable television.

Revenue from the Cable Television Fund includes one-time fees for franchise applications and franchise awards in addition to annual fees for the franchise. The annual franchise fee is 5 percent of the franchisee's gross revenue, or $250,000, whichever is greater. All these fees finance the Office of Cable Television appropriation. In addition, the fund will receive a $500,000 reimbursement as allocable revenue from the franchisee to repay the District for the expenses incurred during the franchising process. This amount is payable in two equal installments, which are due in FY 1987 and FY 1988.

In FY 1985, one quarter's installment payment of the $250,000 annual franchise fee, or $62,500, was paid. All four installments are expected in FY 1986 in addition to the one-time $250,000 franchise award fee. As shown by Table VI-14, total FY 1987 revenue is estimated at $500,000, which includes $250,000 for the annual fee and $250,000 for the first half of the reimbursement.

The Cable Television Fund expenses for FY 1987 are estimated at $250,000, no change from the estimated FY 1986 expenses. Personal services expenses of $148,000 in FY 1987 are based on four continuing full-time positions, the 4 percent pay adjustment, within-grade increases, and fringe benefits. The remaining expenses for nonpersonal services, totaling $102,000, will be used

Table VI-14
CABLE TELEVISION FINANCIAL PLAN, FY 1985-FY 1992 ($ Thousands)

	FY 1985	FY 1986 Budget	FY 1986 Revised
Operating Revenue:			
Franchise fees	63	250	250
Franchise award fee	...	...	250
Other revenue	...	...	...
Total Operating Revenue	63	250	500
Operating Expenses:			
Personal services	163	136	136
Contractual services	96	72	72
Supplies	1	10	10
Occupancy costs	21	20	20
Depreciation	...	...	...
Equipment	15	12	12
Total Operating Expenses	296	250	250
Income (Loss) Before Operating Transfers	(233)	...	250
Operating Transfers In (Out)	...	...	...
Net Income (Loss)	(233)	...	250
Retained Earnings (Deficit) at Beginning of Year	...	...	(233)
Retained Earnings (Deficit) at End of Year	(233)	...	17

FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
250	550	1,800	2,300	2,700	3,000
...	...	...	...	...	...
250	250	...	...	...	...
500	800	1,800	2,300	2,700	3,000
148	275	900	1,150	1,350	1,500
59	165	166	690	810	900
10	28	90	115	135	150
21	44	144	184	216	240
...	...	...	...	...	...
12	38	500	50	50	50
250	550	1,800	2,189	2,561	2,840
250	250	...	111	139	160
(250)	(250)	...	...	...	...
...	...	...	...	...	...
17	17	17	17	128	267
17	17	17	128	267	427

for the following: other contractual services, $59,000; supplies, $10,000; occupancy costs, $21,000; and equipment, $12,000.

The FY 1987 Office of Cable Television gross budget of $500,000 includes a $250,000 appropriated amount, which will cover office expenses, and $250,000 in allocated budget authority for the $250,000 reimbursement to be transferred out to the General Fund. The FY 1987 budget is higher than the FY 1986 budget by the amount of that transfer.

From FY 1988 through FY 1992, the franchisee, District Cablevision Limited Partnership, anticipates sufficient growth in gross revenue to yield annual fees that will increase from $550,000 in FY 1988 to $3,000,000 in FY 1992. These estimates will have to be revised if substantial delays in construction, insufficient subscription, or unforeseen legal problems occur.

It is expected that expenses also will increase over this six-year period as the Office of Cable Television initiates and expands municipal programming. To take advantage of the new medium, the office will have to purchase equipment, employ production assistants and producers, and train District agencies in the system's use. By FY 1991, the cable television operator is expected to have completed construction of the system, and the fund is projected to start generating a net income, estimated at $139,000 for that year. Table VI-14 presents the multiyear financial plan for the Cable Television Enterprise Fund.

CHAPTER VII: THE FY 1987 CAPITAL BUDGET REQUEST

The FY 1987 budget request is for $365.4 million in new authority for 119 capital projects. The proposed FY 1987 authority is $116 million greater than the approved FY 1986 capital budget of $249 million. New capital authority is expected to be financed primarily by general obligation bonds and federal grants with the exception of $10 million to be financed from general fund revenues.

The projects in the FY 1987 budget represent the first fiscal year of the FY 1987-1992 capital improvements plan. The budget demonstrates the District's priorities by identifying significant amounts of proposed new authority for schools, housing, roads, and recreation centers. More than half of the entire $124 million six-year capital improvements plan of the Public Schools is included in the budget proposed for FY 1987.

The Public Schools is a top priority in the FY 1987 capital budget and will receive $69.9 million in new authority to attack aggressively the repairs and improvements that are needed in many public school buildings. The projects proposed in FY 1987 will replace windows, roofs, boilers, doors, heating systems, and mechanical and electrical systems, and will identify and abate asbestos. The new project for maintenance improvements of $8 million will be financed from general fund revenues.

The Department of Housing and Community Development is requesting a FY 1987 capital budget of $47.2 million. Authority of $3.5 million is included to renovate vacant public housing units and to eliminate soil erosion at public housing sites. Other capital projects requested are $23.4 million to renovate East Gate Gardens, Arthur Capper, and Greenleaf Gardens housing complexes; $7.2 million for general improvements; $2 million for asbestos abatement; $2 million for repairs and renovations to public housing facilities; and $5.8 million for land acquisition, electrical modernization, and architectural barrier removal. An additional $3.3 million is requested for warehouse renovations to provide increased storage space for public housing equipment.

The Department of Administrative Services is requesting $1 million for one project, Energy Conservation. This project provides for retrofitting of government buildings to improve energy efficiency.

The Office of Business and Economic Development is requesting $20 million in additional authority in FY 1987, of which $2.4 million is to establish two new projects in FY 1987: $1.7 million for an arts inducement project to encourage arts-based facilities in economic development areas around the District; and $750,000 for an incubator facilities project to serve start-up businesses in the District. Four continuing projects with authority of $17.6 million are requested to purchase sites and develop infrastructure that supports those sites.

The Police Department is requesting authority in the amount of $400,000 for one project to renovate the outdoor range at Blue Plains where the police training academy provides extensive training in the handling of firearms. The new project will prove cost effective by reducing the travel time of officers who presently must go to Lorton to develop and maintain their skills.

The Fire Department is requesting $6.5 million in new authority including $1.6 million for the purchase of fire apparatus, $3.5 million to replace Engine Company 26 and $1.4 million to perform general improvements at various engine companies.

The D. C. Court System is requesting $3.8 million for four projects. Authority of $1.1 million is requested to replace exterior windows, $2.3 million to construct chambers for seven new appellate judges, and $306,000 in additional authority for two projects authorized in FY 1986 for space conversion.

The Department of Corrections is requesting authority for nine projects totalling $15.2 million. The request includes $9.3 million for general improvements to various prison facilities, $1.3 million for perimeter lighting, $1 million for space renovations, and $3.6 million for six continuing projects including mechanical and electrical repairs, installation of air conditioning units and life-cycle renovations to the guard towers.

The University of the District of Columbia is requesting $4.8 million including $2.8 million for renovations to the Mather Building, $875,000 for mechanical monitoring equipment, and $1.1 million to remove architectural barriers and improve the athletic field.

The Public Library is requesting $821,000 in additional authority to construct the Shepherd Park Branch Library, first authorized in the FY 1985 Supplemental. The library will be an important new addition to library services of the District.

The Commission on the Arts and Humanities is requesting $750,000 in new authority in FY 1987 to establish a public arts fund. This is the Commission's first capital project. The Public Arts Fund will be used to create, install, and maintain visual arts in public places and will require annual appropriations of 1 percent of the total annual project authority requested for public facilities and institutions.

The Department of Human Services is requesting $29.7 million in new authority in FY 1987 for 8 projects. Six of the projects totalling $12.2 million are for general improvements at current department sites. The balance of $17.5 is for improvements at St. Elizabeths Hospital for which the department will be assuming responsibility from the federal government during FY 1987. Much work is required at the site in order to protect residents and maintain services. The new capital authority will be used to replace the hospital's boiler and to do urgently needed improvements throughout the complex.

The Department of Recreation is requesting $21.7 million in new capital authority for 14 projects in FY 1987. Eleven of the projects with new authority totalling $7.3 million are for renovations to recreational facilities throughout the District; $6.4 million will be used to develop the resident camp facilities at 2 locations; $6 million will be used for construction of a performing arts center in Ward 7; and $2 million will be used for an amphitheater at Oxon Run Park.

The Office on Aging is requesting $1.9 in new capital authority to provide two new senior centers in the areas of H Street and Rock Creek Park. The centers will offer multiple services to the elderly citizens of the District.

The Department of Public Works is requesting $74.6 million in new authority for 27 projects to continue the implementation of general improvements to District-owned buildings and improvements to infrastructure and sewer systems. Eight projects totalling $15.7 million will continue improvements to government buildings with $10.7 million for general improvements and $5.0 million for asbestos abatement.

Fifteen projects totalling $45.5 million are for transportation improvements and will be matched by $63.3 million in federal grants. There are 10 continuing projects totalling $34.0 million. The major continuing projects include $13.5 million for resurfacing streets and highways to permit repair of 30 miles of streets; $6.1 million for bridge replacement; $9.7 million for roadway reconstruction and upgrading; and $2 million for local street improvements. Other capital projects requested are $8.4 million to complete the construction of Fort Lincoln Drive; $1.4 million for a mobile radio system, environmental hazard elimination, and public space site improvements; and $1.7 million for communication cable replacement.

There are four environmental facilities projects totalling $13.3 million which will be used to construct new storm sewers and a new stormwater facility.

D.C. General Hospital is requesting $325,000 in new capital authority to eliminate polychlorinated biphenyls from transformers.

The Washington Metropolitan Area Transit Authority is requesting $12 million in new authority for the District's share of new construction costs for the metrorail system.

The Water and Sewer Utility of the Department of Public Works is requesting $54.3 million for eight projects in new FY 1987 budget authority. Seven of these projects are continuing in nature and consist of replacing water mains, sewer pumps and installing new instrumentation. The eighth project is for $38.4 million which will be used for water quality improvements at Blue Plains Wastewater Treatment Plant and represents the District's share of a $90.0 million project at that site.

The Washington Aqueduct is requesting $600,000 to replace equipment and do life-cycle renovations at the Dalecarlia Pumping Station.

Table VII-1, presented on the succeeding pages, summarizes requests for new FY 1987 capital authority.

Table VII-1
FY 1987 CAPITAL BUDGET: SUMMARY OF RECOMMENDATIONS FOR NEW AUTHORITY ($ Thousands)

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
GOVERNMENTAL DIRECTION AND SUPPORT				
Department of Administrative Services				
Energy Conservation	NE7	1,000	0	1,000
Total, Administrative Services		1,000	0	1,000
Total, GOVERNMENTAL DIRECTION AND SUPPORT		1,000	0	1,000
ECONOMIC DEVELOPMENT AND REGULATION				
Department of Housing and Community Development				
Warehouse Renov.	001	3,308	0	3,308
Land Acquisition	051	5,000	0	5,000
General Impvts.	050	7,200	0	7,200
Vacant Unit Repair	003	3,000	0	3,000
Arch. Barrier Removal	005	300	0	300
Asbestos Abatement	006	2,000	0	2,000
Elect. Modernization	007	500	0	500
Soil Erosion Control	008	500	0	500
Arthur Capper	009	19,700	0	19,700
East Gate Gardens	068	2,750	0	2,750
Greenleaf Gardens	062	975	0	975
Repairs and Renovations to Pub. Housing. Fac.	072	2,000	0	2,000
Total, Department of Housing and Community Development		47,233	0	47,233

FY 1987 OPERATING BUDGET

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
ECONOMIC DEVELOPMENT AND REGULATION - CONTINUED				
Office of Business and Economic Development				
Neighborhood Revit.	EA7	8,500	0	8,500
Commercial Centers	EB7	5,000	0	5,000
Empl. Center Const.	EC7	3,000	0	3,000
Business Credit Asst.	ED7	1,050	0	1,050
Arts Inducement	EE7	1,700	0	1,700
Incubator Facilities	EF7	750	0	750
Total, Office of Business and Economic Development		20,000	0	20,000
Total, ECONOMIC DEVELOPMENT AND REGULATION		67,233	0	67,233
PUBLIC SAFETY AND JUSTICE				
Metropolitan Police Department				
Outdoor Range	P20	400	0	400
Total, Metropolitan Police Department		400	0	400
Fire Department				
Fire Apparatus	206	1,625	0	1,625
Permanent Impvts.	F27	1,399	0	1,399
Engine Co. 26 Repl.	F10	3,451	0	3,451
Total, Fire Department		6,475	0	6,475

FY 1987 CAPITAL BUDGET REQUEST

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
PUBLIC SAFETY AND JUSTICE - CONTINUED				
D. C. Court System				
Judges' Chambers	B08	2,340	0	2,340
Exterior Windows	B21	1,145	0	1,145
Convert Space	B17	253	0	253
Convert Public Space	B16	53	0	53
Total, D. C. Court System		3,791	0	3,791
Department of Corrections				
Tower Renovation	CA7	245	0	245
Property Warehouse	C36	763	0	763
Space Renovation	C65	1,030	0	1,030
Resident Lighting	C58	747	0	747
Perimeter Lighting	C66	1,303	0	1,303
Vehicle Shop Upgrade	C37	599	0	599
General Impvts.	CE7	9,300	0	9,300
Mech./Elect. Impvts.	CC7	639	0	639
Culinary Units	CD7	539	0	539
Total, Dept. of Corrections		15,165	0	15,165
Total, PUBLIC SAFETY AND JUSTICE		25,831	0	25,831

FY 1987 OPERATING BUDGET

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
PUBLIC EDUCATION SYSTEM				
Public Schools				
Roof Replacements	SA7	7,736	0	7,736
Boiler Replacements	SB7	6,500	0	6,500
Window Replacements	SC7	8,503	0	8,503
Door Replacements	SD7	2,220	0	2,220
Elect. System Repl.	SE7	5,891	0	5,891
Room Conversions	SF7	1,809	0	1,809
Asbestos Abatement	S73	10,000	0	10,000
Air Conditioning	S74	1,942	0	1,942
Coolidge High Mod.	S46	9,231	0	9,231
Arch. Barrier Removal	S75	171	0	171
Erosion Control	S76	1,600	0	1,600
General Improvements	SG7	2,838	0	2,838
Sch. Safety & Bldg. Impvs.	S77	3,482	0	3,482
Maintenance Impv.	S78	8,000	0	8,000
Total, Public Schools		69,923	0	69,923
University of the District of Columbia				
Mather Building Renov.	U23	2,800	0	2,800
Delta 1000 Equipment	U28	875	0	875
Arch. Barrier Removal	U25	241	0	241
Athletic Field Impvts.	U34	865	0	865
Total, University of District of Columbia		4,781	0	4,781
Public Library				
Shepherd Park	L20	821	0	821
Total, Public Library		821	0	821

FY 1987 CAPITAL BUDGET REQUEST

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
Commission on Arts and Humanities				
Public Arts Fund	AH7	750	0	750
Total, Commission on Arts and Humanities		750	0	750
Total, PUBLIC EDUCATION SYSTEM		76,275	0	76,275
HUMAN SUPPORT SYSTEM				
Department of Human Services				
J.B. Johnson Renov.	H70	3,600	0	3,600
Arch. Barrier Removal	HA7	913	0	913
General Renovations	HB7	1,280	0	1,280
Mech./Elect. Renov.	HC7	1,100	0	1,100
Plumbing Renov.	HD7	1,111	0	1,111
Oakhill Gen. Renov.	H96	4,187	0	4,187
St. E. Power Plant	HX1	3,500	0	3,500
St. E. Gen. Impvts.	HX2	14,000	0	14,000
Total, Department of Human Services		29,691	0	29,691
Department of Recreation				
General Improvements	RA7	700	0	700
Camp Renovation	R09	6,400	0	6,400
Deanwood Renov.	R37	815	0	815
Fort Stanton Renov.	R35	755	0	755
Stead Renov.	R61	525	0	525
Banneker Tennis Cts.	R9A	500	0	500
East Potomac Pool	R1C	1,500	0	1,500
Knox Hill Rec. Ctr.	R2C	800	0	800
Chevy Chase Elevator	R1D	350	0	350
Day Care Cent. Renov.	R1E	400	0	400
Kalorama Rec. Ctr. Addn.	R1F	400	0	400
Outdoor Lighting Impv.	R1G	600	0	600
Performing Arts Cent.	R1H	6,000	0	6,000
Oxon Run Amphitheater	R1J	2,000	0	2,000
Total, Department of Recreation		21,745	0	21,745

FY 1987 OPERATING BUDGET

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
Office on Aging				
H St. Senior Center	A06	973	0	973
Rock Creek Senior Ctr	A08	900	0	900
Total, Office on Aging		1,873	0	1,873
D. C. General Hospital				
Transformers	D46	325	0	325
Total, D. C. General Hospital		325	0	325
Total, HUMAN SUPPORT SYSTEM		53,634	0	53,634
PUBLIC WORKS				
Department of Public Works				
Governmental Facilities				
Elec. Modernizations	GA7	1,250	0	1,250
Roof Replacement	GB7	713	0	713
Emergency Renovations	GC7	2,500	0	2,500
PW Support Fac.	GD7	2,050	0	2,050
HVAC Rehab.	GF7	2,538	0	2,538
Elevator Rehab.	GG7	1,164	0	1,164
Arch. Barrier Removal	GH7	500	0	500
Asbestos Abatement	GJ7	5,000	0	5,000
Subtotal, Governmental Facilities		15,715	0	15,715
Transportation Facilities				
Bridge Repl.& Rehab.	CD7	6,111	32,146	38,257
Resurf. Sts. & Hwys.	CE7	13,533	18,088	31,451
Roadway Reconstruction	CK7	7,005	6,446	13,451
Roadway Upgrading	CH7	2,760	0	2,760
Local Street Impvts.	CA7	2,000	0	2,000

FY 1987 CAPITAL BUDGET REQUEST

Project Name and Code	Requested Appropriation	Anticipated Reimbursements	Total
Transportation Facilities - continued			
Communicatn. Cable Repl. AK7	1,650	0	1,650
Traffic Safety Impvts. CB7	350	1,770	2,120
Mobile Radio System AE7	500	0	500
Highway Aid Match AF7	1,000	1,000	2,000
Roadside Improvements CG7	500	500	1,000
Environmental Hazard Elim. AD7	470	1,786	2,256
Downtown Street Impvts. AO7	400	1,273	1,673
Neighborhood St. Impvs. CF7	350	273	623
Public Space Site Impvts. CL7	500	0	500
Ft. Lincoln Streets AC7	8,404	0	8,404
Subtotal, Transportation Facilities	45,533	63,282	108,815
Environmental Facilities			
SWRC Design Plan SW7	500	0	500
Relief of Flooding 105	630	0	630
Stormwater Facility 145	6,600	0	6,600
Cap. Hill Relief Sewer 120	5,600	0	5,600
Subtotal, Environmental Facilities	13,330	0	13,330
Total, Department of Public Works, General Fund	74,578	63,282	137,860
Washington Metropolitan Area Transit Authority			
Metrorail SA1	12,000	0	12,000
Total, Washington Metropolitan Area Transit Authority	12,000	0	12,000
Total, PUBLIC WORKS	86,578	63,282	149,860
TOTAL, GENERAL FUND	310,551	63,282	373,833

FY 1987 OPERATING BUDGET

Project Name and Code		Requested Appropriation	Anticipated Reimbursements	Total
WATER AND SEWER ENTERPRISE FUND				
Department of Public Works				
Water and Sewer Utility Administration				
Geotwn. Relief Sewer	175	1,700	0	1,700
Water Quality Impvts.	577	38,430	51,570	90,000
Replace Sanitary Sewers	579	4,000	0	4,000
Replace Water Mains	873	2,500	0	2,500
Trunk Water Mains	803	4,300	0	4,300
Main Sewer Pump	576	1,500	0	1,500
Standby Power Facility	860	1,050	0	1,050
New Instrumentation	867	770	0	770
Total, Department of Public Works, Enterprise Fund		54,250	51,570	105,820
Washington Aqueduct				
Dalecarlia Building	123	300	0	300
Dalecarlia Pump	122	300	0	300
Total, Washington Aqueduct		600	0	600
Total, WATER AND SEWER ENTERPRISE FUND		54,850	51,570	106,420
GRAND TOTAL, CAPITAL BUDGET		365,401	114,852	480,253

CHAPTER VIII: APPROPRIATION LANGUAGE

Division of Expenses

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, [$99,342,000] *$108,353,000: Provided,* That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further,* That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further,* That not less than $320,000 shall be used by the Office of Personnel exclusively for the administration of programs for the training of District of Columbia government employees: *Provided further,* That notwithstanding any other provision of law, there is hereby appropriated [$3,480,000] *$3,772,000* to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board, of which $700,000 shall be derived from the general fund and not to exceed [$2,780,000] *$3,072,000* shall be derived from the earnings of the applicable retirement funds: *Provided further*, That the District of Columbia Retirement Board shall provide to the Congress and the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further,* That the District of Columbia Retirement Board shall provide the Mayor for transmittal to the Council of the District of Columbia an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report: *Provided further,* That of the $100,000 appropriated for fiscal year [1986] *1987* for Admission to Statehood, $50,000 shall be for the Statehood Commission and $50,000 shall be for the Statehood Compact Commission.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, [$100,035,000] *$129,460,000, including $2,000,000 for non-recurring resources for financing pay-as-you-go capital projects of the Department of Housing and Community Development: Provided,* That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further,* That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the holders of any bonds or notes issued by the Agency and shall be repaid to the District of Columbia only from available operating revenues of the Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further,* That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia [: *Provided further,* That the Director of the Department of Housing and Community Development shall report every six months to the Council of the District of Columbia on collections of rent from public housing stock].

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of not to exceed 135 passenger-carrying vehicles for replacement only (including 130 for police-type use and five for fire-type use) and [four additional] *14 replacement* passenger-carrying vehicles for fire-type use without regard to the general purchase price limitation for the current fiscal year, [$548,866,000, of which $3,339,000 shall be payable from the revenue sharing trust fund] *$580,665,000: Provided*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles, and the Fire Department is authorized to replace not to exceed five passenger-carrying vehicles, annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further,* That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: [*Provided further,* That notwithstanding any other provision of law, in the case of each employee who retired from the Fire Department of the District of

Columbia before February 15, 1980, and who is receiving on the date of the enactment of this Act an annuity based on service in the Fire Department, the District of Columbia Retirement Board shall cause to be paid not later than September 30, 1985, to each such employee a lump sum payment equal to three percent of his or her annuity:] *Provided further,* That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal year ending September 30, [1986] *1987,* shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further,* That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal year ending September 30, [1986] *1987,* shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1985: *Provided further,* That $50,000 of any appropriation available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor: *Provided further,* That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further, That no District of Columbia Law Revision Commission position shall be funded at a level greater than DS-14, step 1: Provided further,* That D.C. Code, sec. 11-1732(d), is amended by striking out ["1985"] *"1986"* and inserting in lieu thereof "1987" [: *Provided further,* That not to exceed $50,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, for expenses incurred by the County during fiscal year 1986 in relation to the Lorton prison complex. Such reimbursement shall be paid in all instances in which the District requests that the County provide police, fire, rescue, and related services to help deal with escapes, riots, and similar disturbances involving the prison. The District shall make a quarterly report to the House and Senate Subcommittees on District of Columbia Appropriations regarding the amount and purpose of reimbursements made to the County, and the amount of the authorization remaining for such reimbursements].

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, [$515,655,000] *$540,872,000,* [of which $6,000,000 shall be payable from the revenue sharing trust fund,] to be allocated as follows: [$360,150,000] *$393,806,000* for the public schools of the District of Columbia, *including $8,000,000 of the $393,806,000 for non-recurring resources for financing pay-as-you-go capital projects of the public schools of the District of Columbia;* [$70,905,000] *$58,800,000* for the District of Columbia Teachers' Retirement Fund; [$67,715,000] *$69,015,000* for the University of the District of Columbia; [$15,002,000] *$16,646,000* for the Public Library; [$1,673,000] *$2,368,000* for the Commission on the Arts and Humanities; and [$210,000] *$237,000* for the Educational Institution Licensure Commission: *Provided,* That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further,* That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further,* That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, [1986] *1987,* a tuition rate schedule which will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: *Provided further, That of the amount made available to the University of the District of Columbia, $1,300,000 shall be used solely for the operation of the Antioch School of Law: Provided further, That acquisition or merger of the Antioch School of Law shall have been previously approved by both the Board of Trustees of the University of the District of Columbia and the Council of the District of Columbia, and that the Council shall have issued its approval by resolution: Provided further, That if the Council of the District of Columbia or the Board of Trustees of the University of the District of Columbia fails to approve the acquisition or merger of the Antioch Law School, the $1,300,000 shall be used solely for the repayment of the general fund deficit.*

HUMAN SUPPORT SERVICES

Human support services, [$614,347,000] *$654,315,000,* [of which $5,857,000 shall be payable from the revenue sharing trust fund] *including $298,000 for non-recurring resources for financing pay-as-you-go capital projects of the Department of Human Services: Provided,* That the inpatient rate (excluding the proportionate share for repairs and construction) for services rendered by Saint Elizabeths Hospital for patient care shall be at the per diem rate established pursuant to section 2 of an Act to authorize certain expenditures from the appropriation of Saint Elizabeths Hospital, and for other purposes, approved August 4, 1947 (61 Stat. 751; Public Law 80-353; 24 U.S.C. 168(a)): *Provided further,* That total funds paid by the District of Columbia as reimbursements for operating costs of Saint Elizabeths Hospital, including any District of Columbia payments (but excluding the Federal matching share of payments) associated with title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; Public Law 89-97; 42 U.S.C. 1396 et seq.), shall not exceed [$62,970,000] *$71,200,000: Provided further,* That [$11,000,000] *$13,800,000* of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, [$193,741,000] *$204,748,000,* of which [$2,500,000 shall be payable from the revenue sharing trust fund and] not to exceed [$4,000,000] *$4,150,000* shall be available for the School Transit Subsidy: *Provided,* That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business [or from apartment houses with four or more apartments, or from any building or connected group of buildings operating as a rooming or boarding house as defined in the housing regulations of the District of Columbia].

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, [$8,371,000] *$6,261,000: Provided,* That the Convention Center Board of Directors, established by section 3 of the Washington Convention Center Management Act of 1979, effective November 3, 1979 (D.C. Law 3-36; D.C. Code, sec. 9-602), shall reimburse the Auditor of the District of Columbia for all reasonable costs for performance of the annual convention center audit.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with an Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); the Departments of Labor, and Health, Education and Welfare Appropriation Act of 1955, approved July 2, 1954 (68 Stat. 443; Public Law 83-472); section 1 of an Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of an Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); and section 723 of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note); and section 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act, approved October 13, 1977 (91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note), including interest as required thereby, [$198,409,000] *$204,514,000.*

REPAYMENT OF GENERAL FUND DEFICIT

For the purposes of [eliminating the cash portion of the $269,860,000 general fund accumulated deficit as of September 30, 1984, $20,000,000 of which not less than $15,000,000 shall be funded and apportioned by the Mayor from amounts otherwise available to the District of Columbia government (including amounts appropriated by this Act or revenues otherwise available, or both)] *reducing the general fund accumulated deficit, $8,675,000.*

SHORT-TERM BORROWINGS

For the purpose of funding interest related to borrowing funds for short-term cash needs, $3,750,000.

CAPITAL OUTLAY

For construction projects, [$229,148,000] *$310,551,000,* as authorized by an Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 to 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); an Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, secs. 9-219 and 47-3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85-692; D.C. Code, sec. 40-805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91-143; D.C. Code, secs. 1-2451, 1-2452, 1-2454, 1-2456, and 1-2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided,* That [$14,591,000] *$17,342,112* shall be available for project management and [$11,239,000] *$26,013,168* for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor, and that the funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further, That $10,298,000 of the $310,551,000, shall be financed from general fund operating revenues to be allocated as follows: $8,000,000 for pay-as-you-go capital projects for public schools of the District of Columbia; $2,000,000 for pay-as-you-go capital projects for the Department of Housing and Community Development; and $298,000 in pay-as-you-go capital projects for the Department of Human Services: Provided further, That $11,217,800 of the $310,551,000, shall be available to the Board of Education of the District of Columbia for the construction of new roofs for various school buildings, school safety, and building improvements' projects, with $8,413,350 of these funds available for construction, $1,682,670 available for architectural design, and $1,121,780 available for project management: Provided further, That notwithstanding the last sentence of section 405(b) of the District of Columbia Public Postsecondary Education Reorganization Act, approved October 26, 1974 (88 Stat. 1423; D.C. Code, sec. 31-1535(b)), the Board of Education of the District of Columbia may procure contracts for its pay-as-you-go capital projects, for the construction of new roofs for various school buildings, for school safety, and for building improvements' projects: Provided further,* That all such funds shall be available only for the specific projects and purposes intended: *Provided further,* That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134, note), for which funds are provided by this appropriation title, shall expire on September 30, [1987] *1988,* except authorizations for projects as to which funds have been obligated in whole or [in] part prior to September 30, [1987] *1988: Provided further,* That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, [$162,987,000] *$176,876,000,* of which [$31,065,000] *$32,834,000* shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

For construction projects, [$19,635,000] *$54,850,000,* as authorized by an Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; D.C. Code, sec. 43-1512 et seq.): *Provided,* That the requirements and restrictions which are applicable to general fund capital improvement projects and which are set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund established by the District of Columbia Appropriation Act for fiscal year 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91, as amended), for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), [$4,151,000] *$5,458,000,* to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the sources of funding for this appropriation title from its own locally-generated revenues: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), $250,000.

GENERAL PROVISIONS

Sec. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Sec. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

Sec. 103. Whenever in this Act an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount which may be expended for said purpose or object rather than an amount set apart exclusively therefor [, except for those funds and programs for the Metropolitan Police Department under the heading "Public Safety and Justice" which shall be considered as the amounts set apart exclusively for and shall be expended solely by that Department; and the appropriation under the heading "Repayment of General Fund Deficit" which shall be considered as the amount set apart exclusively for and shall be expended solely for that purpose].

Sec. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided,* That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

Sec. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided,* That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

[Sec. 106. Appropriations in this Act shall not be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Service Commission requiring the installation of meters in taxicabs, or for or in connection with the licensing of any vehicle to be operated as a taxicab except for operation in accordance with such system of uniform zones and rates and regulations applicable thereto as shall have been prescribed by the Public Service Commission.]

Sec. [107] *106.* There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

Sec. [108] *107.* Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205[(b)].44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

Sec. [109] *108.* No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. [110] *109.* Not to exceed 4½ per centum of the total of all funds appropriated by this Act for personal compensation may be used to pay the cost of overtime or temporary positions.

Sec. [111] *110.* Appropriations in this Act shall not be available, during the fiscal year ending September 30, [1986] *1987*, for the compensation of any person appointed to a permanent position in the District of Columbia government during any month in which the number of employees exceeds [32,511] *33,355*, the number of positions authorized by this Act.

[Sec. 112] *111.* No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

Sec. [113] *112.* The annual budget for the District of Columbia government for the fiscal year ending September 30, [1987] *1988*, shall be transmitted to the Congress by no later than April 15, [1986] *1987*.

Sec. [114] *113.* None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on Governmental Efficiency and the District of Columbia of the Senate Committee on Governmental Affairs and the Council of the District of Columbia or their duly authorized representative.

Sec. [115] *114*. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

Sec. [116] *115*. None of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

[Sec. 117. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.]

Sec. [118] *116*. None of the Federal funds provided in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for *the* medical procedures necessary for the termination of an ectopic pregnancy.

Sec. [119] *117*. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

Sec. [120] *118*. The Mayor shall not borrow any funds for capital projects unless he has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

Sec. [121] *119*. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

[Sec. 122. None of the funds appropriated in this Act may be used for the implementation of a personnel lottery with respect to the hiring of fire fighters or police officers.]

Sec. [123] *120*. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint

Explanatory Statement of the Committee of Conference (House Report No. 96-443) which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

[Sec. 124. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer of employee of the District of Columbia.]

Sec. [125] *121*. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided,* That this section shall not apply to security, emergency rescue, or armored vehicles.

Sec. [126] *122*. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) for any position for any period during the last quarter of calendar year [1985] *1986* shall be deemed to be the rate of pay payable for that position for September 30, [1985] *1986*.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, a per diem compensation at a rate established by the Mayor.

Sec. [127] *123*. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act , approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided,* That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

[Sec. 128. None of the funds appropriated by this Act may be used to transport any output of the municipal waste system of the District of Columbia for disposal at any public or private landfill located in any State, excepting currently utilized landfills in Maryland and Virginia, until the appropriate State agency has issued the required permits.]

Sec. [129] *124.* The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency and the District's best interest.

[Sec. 130. The Public Service Commission is hereby authorized to order and to approve the deregulation of streetlighting service to the District of Columbia as provided in its opinion and order in Formal Case No. 813, dated July 12, 1984 (Order No. 8056), notwithstanding the provisions of section 493(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 811; Public Law 93-198; D.C. Code, sec. 43-402), section 8, paragraph 2 of an Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 977; Public Law 67-435; D.C. Code, sec. 43-501), and section 1 of an Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes, approved March 3, 1899 (30 Stat. 1053; D.C. Code, sec. 43-1207): *Provided,* That the provisions of this opinion and order regarding deregulation of streetlighting service are hereby ratified and declared to be in effect as of July 12, 1984, and shall continue to be in effect until revoked or rescinded.]

[Sec. 131. (a) No State, or political subdivision thereof, in which a Member of Congress maintains a place of abode for purposes of attending sessions of Congress may impose a personal property tax with respect to any motor vehicle owned by such Member (or by the spouse of such Member) unless such Member represents such State or a district in such State.

(b) For purposes of this section—

(1) the term "Member of Congress" includes the delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico;

(2) the term "State" includes the District of Columbia; and

(3) the term "personal property tax" means any tax imposed on an annual basis and levied on, with respect to, or measured by, the market value or assessed value of an item of personal property.

(c) This section shall apply to all taxable periods beginning on or after January 1, 1985.]

[Sec. 132. The portion of 15th Street, Southwest, Washington, District of Columbia, located between Maine and Independence Avenues shall hereafter be known and designated as "Raoul Wallenberg Place". Any law, regulation, map, document, or other record of the United States and the District of Columbia which refers to that portion of such street shall be deemed to refer to "Raoul Wallenberg Place".]

Sec. [133] *125.* No later than [60] *30* days after the [beginning of] *end of the first quarter of* fiscal year [1986] *1987,* the Mayor of the District of Columbia shall submit to the Council of the District of Columbia [an official revised] *the new fiscal year 1987* revenue estimate [and shall use this estimate or a more recent revised revenue estimate in fiscal year 1987 annual budget request] *as of the end of the first quarter of fiscal year 1987. These estimates shall be used in the fiscal year 1988 annual budget request. The officially revised estimates at midyear shall be used for the midyear report.*

[Sec. 134. None of the funds appropriated under this Act may be used to advertise for or award, retain or otherwise obligate payment for contracted professional services as contained in object class 408 of the fiscal year 1986 operating budget for the District of Columbia agencies at any level which would directly or indirectly exceed the level of expenditure or obligation for such services for fiscal year 1985, or the sum of twenty-one-million, seven hundred-eighty thousand dollars ($21,780,000), whichever is lesser.]

Sec. [135] *126.* [(a) There are authorized to be expended from amounts otherwise available to the District of Columbia government (including amounts appropriated by this Act or revenues otherwise available, or both) such sums as may be necessary to finance the District's participation in a student loan revenue bond program. Sums authorized to be expended by this section shall remain available without limitation as to fiscal year until such student loan revenue bonds have been paid or payments have been provided for.]

[(b)] Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act [(D.C. Code, sec. 47-246)], *approved December 24, 1973 (87 Stat. 806; Public Law 93-198; D.C. Code, sec. 47-326),* is amended by striking out "sold before October 1, [1985] *1986*" and inserting [in lieu thereof] "sold before October 1, [1986] *1987" in its place.*

Sec. 136 (a) Waiver.—Section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act shall not apply to certain acts of the District of Columbia described in subsection (c) authorizing the issuance, sale, and delivery of revenue bonds.

(b) Effective Date of Acts.—Notwithstanding section 404(e) of the District of Columbia Self-Government and Governmental Reorganization Act and any provision in any District of Columbia act described in subsection (c), the District of Columbia Acts described in subsection (c) shall take effect on the date of enactment of this Act.

(c) Certain Acts of the District of Columbia Authorizing the Issuance of Revenue Bonds.—The District of Columbia acts authorizing the issuance, sale and delivery of revenue bonds referred to in subsections (a) and (b) are as follows:

(1) The Georgetown University Higher Education Facilities Revenue Bond Act of 1985, District of Columbia act 6-101, transmitted to the Speaker of the House and the President of the Senate November 7, 1985.

(2) The Sibley Memorial Hospital Revenue Bond Act of 1985, District of Columbia act 6-94, transmitted to the Speaker of the House and the President of the Senate October 23, 1985.

(3) The Forrest Marbury House Project Revenue Bond Act of 1985, District of Columbia bill 6-316, referred to the Committee on Finance and Revenue of the District of Columbia Council on November 15, 1985.

(4) The American University Revenue Bond Act of 1985 (Series A), District of Columbia bill 6-324, referred to the Committee on Finance Revenue of the District of Columbia Council on November 15, 1985.

(5) The George Washington University Revenue Bond Act of 1985 (Series A), District of Columbia bill 6-344, referred to the Committee on Finance and Revenue of the District of Columbia Council on November 27, 1985.]

This Act may be cited as the "District of Columbia Appropriation Act, [1986"] *1987"*.

APPENDIX A: THE FEDERAL PAYMENT

Living in the nation's capital is a source of great pride for Washingtonians; however, the District's unique status among America's major cities brings with it special financial burdens for them. In recognition of the District's extraordinary responsibilities as the nation's capital and in lieu of taxes for the large proportion of federally owned property in the District, an annual federal payment is made to the District government. The District has long advocated a formula-based federal payment that would establish a predictable payment level and allow for much more rational budget planning and preparation. To date, these efforts have been unsuccessful, and the size of the federal payment remains an annually negotiated amount influenced by many factors.

Under the Home Rule Charter, the Mayor is directed to consider several elements in determining the amount of the federal payment to request. These elements include tax revenue lost as a consequence of the limited commercial and industrial property in the District; the relative lack of taxable business income, which reflects the predominance of the public sector in the local economy; the net cost of providing public services for nonprofit corporations and businesses dealing exclusively with the federal government; recurring and nonrecurring costs of unreimbursed services provided for the federal government by District agencies and provided for the District government by federal agencies; expenditure requirements unique to the nation's capital, such as extraordinary security expenses and ceremonial functions; the tax burdens on District residents compared with tax burdens in surrounding jurisdictions and comparable cities; and the level of federal grants available to the District in comparison with other state and local governments.

HISTORY OF THE FEDERAL PAYMENT

The federal contribution to the District of Columbia dates back to the establishment of the District as the nation's capital in 1800. Congress has undertaken comprehensive, formal reviews of the payment at least seven times in the past 100 years and has thus far reached one consensus: the extraordinary federal presence imposes significant costs on the District for which the federal government acknowledges a financial obligation.

For approximately 90 years (1835-1925), the payment level was set according to a formula that provided funds ranging from 40 to 50 percent of the District budget. In 1925, however, the formula approach was abandoned in favor of a lump-sum concept, with the annual payment based on negotiations between the District and Congress. Since that time, the federal share of the District budget has ranged from a low of 9 percent to a high of 30 percent. If the District receives the $444.5 million recommended by the President in the FY 1987 budget of the U.S. government, the federal payment will represent approximately 18 percent of the District's FY 1987 budget.

The Home Rule Act delegated many authorities to an elected District government, but did not change the fundamental relationship between the District and the federal government. Congress still maintains ultimate legislative authority over the District and still enacts annual appropriations for locally generated tax revenues, as well as the federal payment.

The advent of Home Rule did bring about two new features to the federal payment process. For the first time, payment levels were authorized several years in advance, thereby avoiding the time-consuming process of obtaining new authorization amounts each year. Unfortunately, initial actual appropriations fell short of the authorization. Between FY 1981 and FY 1985, however, the federal payment authorization had been raised annually, and those amounts were fully appropriated in the budget act. Each of these increases had been proposed by the President. The President's request for FY 1986 broke this pattern by recommending the same level as in FY 1985 and the Congress concurred. The President's request for FY 1987 resumed the policy of recommending annual increments.

Since FY 1974 the federal payment, as shown on Table A-1, has provided less than one-fourth of the funds needed to finance the District's programs and generally has represented a declining share of the total operating budget since Home Rule. Because of this relative decline in federal support, a greater portion of the budget has been financed through taxes imposed on District residents and businesses.

The variability of the federal payment through the years has made it difficult for the District to develop more realistic long-range programs and financial plans. Moreover, the uncertainty of the payment is one of the factors that led to a medium-grade rating for the District's long-term general obligation bonds. This uncertainty, however, has been reduced in recent years. From FY 1981 through FY 1986, Congress appropriated the full authorized federal payment. To the extent that future appropriation actions continue that pattern, the uncertainty about available financing and spending levels will be reduced further.

Table A-1
FEDERAL PAYMENT IN RELATION TO OPERATING BUDGET ($ Millions)

Fiscal Year	Total Operating Budget	Federal Payment	Percent of Total Operating Budget
1974	841.4	187.5	22.3
1975	919.9	226.2	24.6
1976	1,042.1	248.9	23.9
1977	1,131.0	276.6	24.4
1978	1,260.8	276.0	21.9
1979	1,335.7	250.0	18.7
1980	1,426.0	276.5	19.4
1981	1,457.9[a]	300.0	20.6
1982	1,586.3	336.6	21.2
1983	1,792.1[b]	361.0[b]	20.1
1984	1,915.7[c]	386.0[c]	20.1
1985	2,134.7[d]	425.0[d]	20.5
1986	2,272.9[e]	425.0[e]	18.7

[a] General fund operating budget only.
[b] Excludes $2.2 million special payment for crime initiative.
[c] Excludes $31.2 million in federal initiatives for special purposes (crime, Saint Elizabeth's Hospital, and education).
[d] Excludes $32.2 million in federal initiatives for special purposes (crime, Saint Elizabeth's Hospital, education, and inaugural expenses).
[e] Excludes $39.6 million in federal initiatives for special purposes (crime, education, Saint Elizabeth Hospital).

SETTING THE FEDERAL PAYMENT LEVEL

Several studies over the past 150 years have attempted to define more precisely the relationship between the federal government and the District of Columbia. The Committee on the Organization and Effectiveness of the District of Columbia Government (Nelsen Commission) undertook such a study and published its results in

1972. The commission concluded that "the federal payment . . . will continue to represent a kind of equilibrium, balancing extraordinary net benefits of the federal presence with extraordinary net costs, however these benefits and costs may be defined." While the many studies of the federal payment have introduced a variety of new factors, the bottom line is that not all the extraordinary costs that the District bears can be quantified exactly. The remainder of this section describes the various factors that influence the federal payment and quantifies many of the variables affecting the federal payment amount.

FOREGONE TAXES

The District loses substantial amounts of revenue because of the federal presence and explicit federal policy decisions that limit the District's taxation powers. Prohibitions on commuter taxes, congressionally established exemptions for foreign and diplomatic property, and federal ownership or use of more than 40 percent of all real property all result in a loss estimated at almost $1.2 billion at the current tax year 1986 rates. If the District's tax base included these properties and income, current property and income tax burdens could be lowered on average by 80 percent and still generate 25 percent more in local revenues than is possible with the current restricted base.

Table A-2 presents the estimated FY 1986 taxes foregone because of the federal presence and federal taxing restrictions. More than 95 percent of the total is due to property and income tax losses.

COSTS OF SERVICES

The District of Columbia and the federal government provide each other with a wide variety of services, ranging from the Smithsonian's Anacostia Neighborhood Museum to the District Fire Department's crash coverage for all presidential and vice-presidential helicopter landings and takeoffs. Many of these services and their associated costs are easily quantifiable, and reimbursement is explicitly included in the respective federal or District budget. For example, the District pays the federal government each year for prisoner care by the Bureau of Prisons, and the federal government pays the District for water and sewer services and the Capitol Page School. Many services such as available fire protection and accessibility to national museums are not easily quantifiable, however, and reimbursement by the respective government receiving benefits is not provided. Instead, these costs are absorbed within the regular operating budget of the responsible agency. In formulating the federal payment request, the relative in-kind contribution made by each level of government is taken into account.

Table A-2
TAX REVENUES FOREGONE BECAUSE OF FEDERAL PRESENCE AND POLICIES, FY 1986 ($ Millions)

I. Revenues lost because of federally mandated exemptions from District property taxes		
Federal real estate	$ 323.5	
Other exemptions (foreign governments and special acts of Congress)	33.2	
Federal personal property	45.7	
Subtotal		$ 402.4
II. Revenues lost because of federal restrictions on the District of Columbia taxing authority		
Nonresident individual income tax		$ 705.8
Nonresident Congressional employees and residential appointees		6.2
Subtotal		$ 712.0
III. Nonproperty tax revenues lost from diplomatic exemptions		$ 26.2
IV. Revenues lost because of federal restrictions on taxation of the military		29.0
Total taxes foregone		$1,169.6

Source: Department of Finance and Revenue, November 1985.

INTERCITY EXPENDITURE COMPARISONS

Responsibilities borne by the District of Columbia government are much broader than those of most other cities. The District finances a full range of public services normally provided by city, county, special district, and state governments. Some of the nonmunicipal services the District provides include elementary, secondary, and higher education; public assistance; public health; hospitals; courts; correctional facilities; motor vehicle registration; motor vehicle operator licensing; insurance regulation; public utility regulation; minimum wage enforcement; employment services; and unemployment compensation.

Over the last ten or more years, the nation has witnessed a clear trend toward shifting the cost of selected services, particularly social and health programs, from municipal governments to larger units and, until very recently, from states to the federal government. There is a growing awareness that cities will be unable to survive unless regions, states, and the federal government share more extensively in the cities' financial responsibilities.

The District has no county or state government to help share the costs of state-related services. Its unique status as a city-state requires the District to assume full financial responsibility for all state-related services, despite the limited boundaries established by the Constitution and the narrow tax base prescribed by Congress.

When expenditures by the District and other cities are divided into those traditionally provided by municipal governments and those usually delivered or financed by other governmental units, it is clear how different the District is from most cities. In FY 1983, 22 cities of comparable populations in the U.S. spent 54 percent of their budgets on municipal activities. These activities included, for example, police and fire protection. In the District, however, only 39 percent of the budget was available for municipal functions, with 61 percent of the budget absorbed by functions that those cities typically do not provide. Some of the nonmunicipal services the District provides are all levels of education, public assistance, public health, hospitals, courts, correctional facilities, insurance regulation, and unemployment compensation.

INTERCITY TAX AND FEDERAL GRANT COMPARISONS

One of the charter requirements relating to the federal payment is a comparison of District tax burdens and federal grants with the burdens and grants of other jurisdictions. While it is easy to determine these figures for the District, it is very difficult to know what to compare them with. No jurisdiction in the United States shares these city-state attributes.

As with expenditures, the District has a unique and comprehensive revenue structure, which combines local taxes and fees (property taxes, water and sewer charges, and traffic fines) with state taxes and fees, income taxes, sales and excise taxes, motor vehicle registration fees, and gas consumption taxes. Despite this comprehensive structure, the District lacks the tax base that a typical city or state would have. Some of these differences have been discussed above and result from unusual taxation restrictions or from the fact that the District's economy is dominated by the public sector; other differences are a result of the unusually high percentage of low-income residents living in the District.

Cities generally receive state funds from their respective state treasuries and direct grants from the federal government, as well as indirect federal grants that cannot be identified separately because they pass through the state government and become comingled with state aid. Since the District does not receive any state assistance, it is important to make intercity revenue comparisons on the basis of total intergovernmental aid, not on federal grants alone. To do otherwise would overstate the District's dependence on federal monies. Moreover, because the District receives federal grant programs that are provided exclusively or predominantly for state and county governments, as well as grants for central cities, the District's total for federal grants tends to be higher than, but not really comparable with, that of other cities.

Finally, the federal payment itself poses a problem when comparing District revenue with revenue of comparable size cities. Since it is a unique payment rather than a grant program, it is misleading to show federal payment amounts as intergovernmental aid. Some studies include federal payment receipts among own-source revenue because the payment is usually considered to be part user charge and part payment-in lieu-of-taxes.

INTERGOVERNMENTAL SOURCES. When District revenue is classified as either that raised through local efforts (own source) or those received from other jurisdictions (intergovernmental sources), the District's reliance on own-source revenue is comparable with--in fact, slightly greater than--that of other cities. To avoid biasing the results, the federal payment was not included in these comparisons. In FY 1983, the District obtained 73 percent of its funds from own-source revenue, while the 48 largest cities and the 22 cities with populations between 500,000 and 999,999 (the District excluded) received 64 percent and 62 percent, respectively, from own-source revenue. Further classification of intergovernmental funds by source reveals that the District gets a larger share from the federal government: about 33 percent of all revenue for the District as opposed to about 18 percent for the cities described above.

The unusually high federal grant portion of total District general revenue can be explained largely in two ways: first, the District receives federal grants that go almost exclusively to state and county governments and thus do not appear normally in city revenue totals; second, cities indirectly receive federal funds that are passed through from states and counties and thus are not reported as federal grants.

TAX BURDENS. Difficult technical issues also are faced in comparing tax burdens across communities that have different taxation powers at each level of government, different tax rates, and different economic bases on which taxes are levied. To overcome these obstacles, tax-burden studies performed by the District attempt to indicate the full state and local tax liability of identical families living in each jurisdiction being compared. Using a hypothetical profile of families in various income brackets, it is possible to compare the taxes a family would pay in each community in the major tax categories: property, income, and sales.

Comparing the total tax burden as a percentage of income in the District and the Washington metropolitan area shows that the District had a higher tax burden at the $15,000 level and above. In addition, the disparity grows with higher incomes, reflecting the progressive nature of the District's tax structure (see Figure A-1). Tax burdens by each major category are given in Table A-3, and the area tax rates are shown in Table A-4. Table A-3 reveals that District tax burdens only for automobiles are generally lower than in the surrounding metropolitan area.

Although the District often is asked to compare D.C. taxes with the taxes of other cities, such an exercise is as meaningless as comparing District taxes with state and local taxes of other states. Both distort the picture. Other states' average tax burdens include rural areas with lower service needs and thus underestimate what city residents in other states are paying. Similarly, looking only at city-level taxes in other cities ignores the fact that D.C. taxes really include state taxes and thus overestimates what D.C. residents are paying. The only meaningful comparisons are between the District total tax burdens and the state and local tax burdens of other major metropolitan areas (see Table A-5).

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A June 1984 study of tax burdens in the District compared with total state and local tax burdens of the largest city in each state showed that the District ranked ninth to eleventh highest, depending on income level. For families with incomes of $25,000 the following cities had higher total tax burdens (in descending order): Philadelphia, Pennsylvania; Minneapolis, Minnesota; Detroit, Michigan; Wilmington, Delaware; New York, New York; Portland, Oregon; Baltimore, Maryland; Cleveland, Ohio; Louisville, Kentucky and Milwaukee, Wisconsin; Newark, New Jersey; Boston, Massachusetts; Providence, Rhode Island. At the $15,000 income level the District's tax burdens were 20 percent higher than the 51-city average, and at the $75,000 level, the District's tax burdens were 35 percent above the average.

Figure A-1
Total Tax Burden: District of Columbia vs. Metropolitan Area, 1984

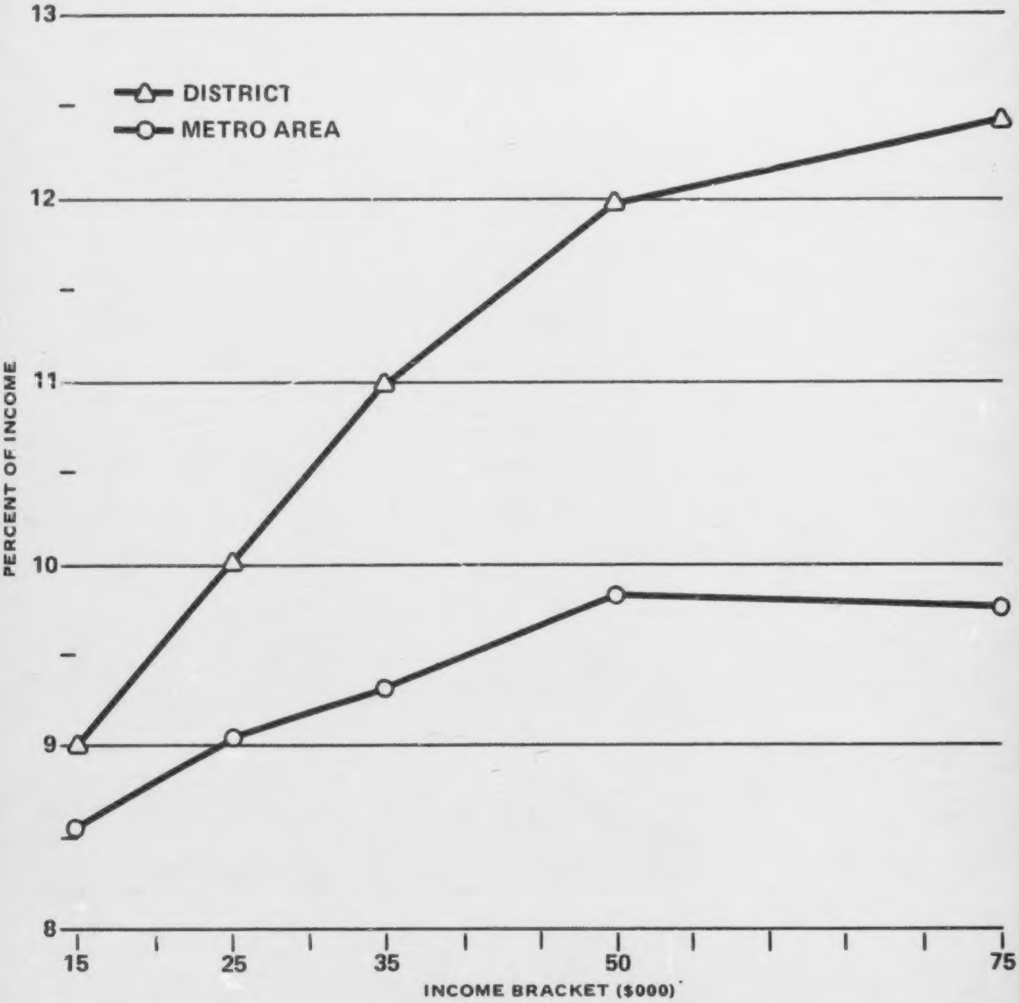

Table A-3
MAJOR STATE AND LOCAL TAX BURDENS FOR A FAMILY OF FOUR RESIDING IN SELECTED WASHINGTON METROPOLITAN AREA JURISDICTIONS (1984 DATA)

		MARYLAND		
TAX	DISTRICT OF COLUMBIA	CHARLES COUNTY	MONTGOMERY COUNTY	PR. GEORGE'S COUNTY
		$15,000 INCOME LEVEL		
Income	$ 380	$ 471	$ 471	$ 471
Sales & Use	246	160	160	160
Real Estate	582	398	437	452
Automobile	149	112	112	112
TOTAL	$1,357	$1,141	$1,180	$1,195
RANK	(3)	(9)	(8)	(6)
		$25,000 INCOME LEVEL		
Income	$1,049	$1,089	$1,089	$1,089
Sales & Use	326	225	225	225
Real Estate	988	631	826	718
Automobile	165	127	127	127
TOTAL	$2,528	$2,072	$2,267	$2,159
RANK	(2)	(8)	(4)	(5.5)
		$35,000 INCOME LEVEL		
Income	$1,803	$1,650	$1,650	$1,650
Sales & Use	432	299	299	299
Real Estate	1,427	884	1,157	1,005
Automobile	172	132	132	132
TOTAL	$3,834	$2,965	$3,238	$3,086
RANK	(1)	(8)	(4)	(5.5)
		$50,000 INCOME LEVEL		
Income	$3,141	$2,549	$2,549	$2,549
Sales & Use	509	375	375	375
Real Estate	2,086	1,262	1,653	1,435
Automobile	271	181	181	181
TOTAL	$6,007	$4,367	$4,758	$4,540
RANK	(1)	(9)	(4)	(7)
		$75,000 INCOME LEVEL		
Income	$5,353	$4,008	$4,008	$4,008
Sales & Use	623	460	460	460
Real Estate	3,020	1,799	2,355	2,045
Automobile	259	189	189	189
TOTAL	$9,255	$6,456	$7,012	$6,702
RANK	(1)	(9)	(4)	(7)

	VIRGINIA				
TAX	ALEXANDRIA	ARLINGTON COUNTY	FAIRFAX COUNTY	LOUDOUN COUNTY	PR. WILLIAM COUNTY
			$15,000 INCOME LEVEL		
Income	$ 275	$ 275	$ 275	$ 275	$ 275
Sales & Use	231	201	201	201	201
Real Estate	813	493	660	463	548
Automobile	291	252	280	251	242
TOTAL	$1,610	$1,221	$1,416	$1,190	$1,266
	(1)	(5)	(2)	(7)	(4)
			$25,000 INCOME LEVEL		
Income	$ 710	$ 710	$ 710	$ 710	$ 710
Sales & Use	298	259	259	259	259
Real Estate	1,290	783	1,048	734	870
Automobile	390	339	377	332	320
TOTAL	$2,688	$2,091	$2,394	$2,035	$2,159
RANK	(1)	(7)	(3)	(9)	(5.5)
			$35,000 INCOME LEVEL		
Income	$1,134	$1,134	$1,134	$1,134	$1,134
Sales & Use	371	322	322	322	322
Real Estate	1,806	1,097	1,467	1,028	1,218
Automobile	500	434	482	426	408
TOTAL	$3,811	$2,987	$3,405	$2,910	$3,082
RANK	(2)	(7)	(3)	(9)	(6)
			$50,000 INCOME LEVEL		
Income	$1,810	$1,810	$1,810	$1,810	$1,810
Sales & Use	451	392	392	392	392
Real Estate	2,580	1,567	2,095	1,469	1,740
Automobile	906	772	887	774	737
TOTAL	$5,747	$4,541	$5,184	$4,445	$4,679
RANK	(2)	(6)	(3)	(8)	(5.5)
			$75,000 INCOME LEVEL		
Income	$2,912	$2,912	$2,912	$2,912	$2,912
Sales & Use	555	482	482	482	482
Real Estate	3,677	2,232	2,986	2,093	2,479
Automobile	1,306	1,117	1,255	1,116	1,059
TOTAL	$8,450	$6,743	$7,635	$6,603	$6,932
RANK	(2)	(6)	(3)	(8)	(5.5)

Table A-4

SELECTED STATE AND LOCAL TAX RATES IN THE WASHINGTON METROPOLITAN AREA, FY1984

TAXES AND FEES	DISTRICT OF COLUMBIA	MARYLAND CHARLES COUNTY	 MONTGOMERY COUNTY	 PR. GEORGE'S COUNTY
Real Estate 1/				
Nominal Rate	$1.22	$2.15	$2.06	$2.43
Assessment Level	100%	43.49%	43.49%	43.49%
Effective Rate	$1.22	$0.94	$0.90%	$1.06
Sales and Use				
General Rate	6%	5%	5%	5%
Individual	2%-11%	3%-7.5%	3%-7.5%	3%-7.5%
Personal Property*	...	...	...	...
Auto Registration				
3,499 lbs. or less	$45	$20	$20	$20
3,500 - 3,700 lbs.	$78	$20	$20	$20
3,701 - 4,000 lbs.	$78	$30	$30	$30
Over 4,000 lbs.	$78	$30	$30	$30
Gasoline (per gallon)	15.5¢ 4/	13.5¢	13.5¢	13.5¢

* Effective rate per $100 applicable to private automobiles.

1/ Rates shown exclude the Maryland state real property tax rate of 21 cents per $100 assessed value and, where applicable, special area rates.

2/ Based on NADA Blue Book average trade-in value.

3/ Based on NADA Used Car Guide average loan value.

4/ Effective June 1, 1984, the D.C. gasoline tax rate increased from 14.8¢ to 15.5¢ per gallon.

5/ Plus a 2% sales tax on the total sales price.

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	VIRGINIA				
TAXES AND FEES	ALEXANDRIA	ARLINGTON COUNTY	FAIRFAX COUNTY	LOUDOUN COUNTY	PR. WILLIAM COUNTY
Real Estate					
Nominal Rate 1/	$1.41	$0.97	$1.46	$1.10	$1.42
Assessment Level	100%	100%	100%	100%	100%
Effective Rate	$1.41	$0.97	$1.46	$1.10	$1.42
Sales and Use					
General Rate	4%	4%	4%	4%	4%
Individual	2%-5.75%	2%-5.75%	2%-5.75%	2%-5.75%	2%-5.75%
Personal Property*	$5.00 2/	$4.75 3/	$4.80 2/	$4.75 3/	$4.00 2/
Auto Registration					
3,499 lbs. or less	$45	$25	$40	$40	$40
3,500 - 3,700 lbs.	$45	$25	$40	$40	$40
3,701 - 4,000 lbs	$45	$25	$40	$40	$40
Over 4,000 lbs	$50	$30	$50	$45	$45
Gasoline Tax (per gallon)	11¢ 5/	11¢ 5/	11¢ 5/	11¢	11¢

* Effective rate per $100 applicable to private automobiles.

1/ Rates shown exclude the Maryland state real property tax rate of 21 cents per $100 assessed value and, where applicable, special area rates.

2/ Based on NADA Blue Book average trade-in value.

3/ Based on NADA Used Car Guide average loan value.

4/ Effective June 1, 1984, the D.C. gasoline tax rate increased from 14.8¢ to 15.5¢ per gallon.

5/ Plus a 2% sales tax on the total sales price.

Table A-5
TAX BURDENS IN D.C. COMPARED WITH THE AVERAGE FOR THE LARGEST CITY IN EACH STATE (BY INCOME CLASS, 1984)

	$15,000			$25,000		
	D.C.	51 City[1] Average	Percent Difference	D.C.	51 City[1] Average	Percent Difference
Income	$ 489	$ 258	89.8%	$1,107	$ 595	86.1%
Property	534	585	-8.8%	911	952	-4.3%
Sales	246	209	17.8%	344	293	17.3%
Auto	149	130	14.2%	165	163	-1.4%
Total	$1,418	$1,182	19.9%	$2,527	$2,003	26.2%

	$35,000			$50,000		
	D.C.	51 City[1] Average	Percent Difference	D.C.	51 City[1] Average	Percent Difference
Income	$1,878	$ 996	88.6%	$3,212	$1,667	92.7%
Property	1,320	1,379	-4.3%	1,933	2,004	-3.6%
Sales	432	367	17.7%	509	434	17.2%
Auto	172	198	-13.3%	271	312	-13.1%
Total	$3,802	$2,940	29.3%	$5,925	$4,417	34.1%

	$75,000		
	D.C.	51 City[1] Average	Percent Difference
Income	$5,432	$2,859	90.0%
Property	2,801	2,897	-3.3%
Sales	623	533	16.9%
Auto	259	440	-41.1%
Total	$9,115	$6,730	35.4%

[1] Average of cities actually levying tax

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AX BURDENS IN D.C. COMPARED WITH THE AVERAGE FOR THE LARGEST CITY IN EACH STATE
Y INCOME CLASS, 1984)

	$15,000			$25,000		
	D.C.	51 City[1] Average	Percent Difference	D.C.	51 City[1] Average	Percent Differenc
come	$ 489	$ 258	89.8%	$1,107	$ 595	86.1%
operty	534	585	-8.8%	911	952	-4.3%
les	246	209	17.8%	344	293	17.3%
to	149	130	14.2%	165	163	-1.4%
tal	$1,418	$1,182	19.9%	$2,527	$2,003	26.2%

	$35,000			$50,000		
	D.C.	51 City[1] Average	Percent Difference	D.C.	51 City[1] Average	Percent Differenc
come	$1,878	$ 996	88.6%	$3,212	$1,667	92.7%
operty	1,320	1,379	-4.3%	1,933	2,004	-3.6%
les	432	367	17.7%	509	434	17.2%
to	172	198	-13.3%	271	312	-13.1%
tal	$3,802	$2,940	29.3%	$5,925	$4,417	34.1%

	$75,000		
	D.C.	51 City[1] Average	Percent Difference
come	$5,432	$2,859	90.0%
operty	2,801	2,897	-3.3%
les	623	533	16.9%
to	259	440	-41.1%
tal	$9,115	$6,730	35.4%

Average of cities actually levying tax

APPENDIX B: FEDERAL FUNDS AND LOANS

Two parallel processes take place during the District's budget cycle. The President submits to the Congress a specific level of federal funding for the District. The President also transmits to the Congress the District's budget, which has been approved by the Council and signed by the Mayor. This latter budget is financed by both District and federal funds and is called the "President's Budget for the District of Columbia." Congress then merges these two separate requests into the District of Columbia budget and passes an appropriation act. This act authorizes a spending level for the District and a combination of federal funds and District revenue adequate to finance this level of spending.

The federal budget submitted by the President contains requests for the following federal funds for the District of Columbia: appropriation of a federal payment to the District, payments for the provision of water and sewer services for the federal government, the federal retirement contribution authorized by the Retirement Reform Act of 1979, a payment to the District to assist in financing Saint Elizabeths Hospital, and reimbursement for certain special events authorized by the District's Home Rule Charter, Public Law 93-198. A description of the programs and the financing of these budget requests can be found in the Budget of the U.S. Government.

The federal funding provided in the budget for the District of Columbia typically has been a relatively small part of the District's budget; recently, it has been about 20 percent of the revenue financing the District's appropriation. The remaining 80 percent of the District's expenditures are supported by local taxes, service charges, and fees.

Although an FY 1986 appropriation bill was not signed, the continuing resolution permits the same level of federal funds of $546,780,000 as would have been contained in the appropriation act. However, the rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $16,753,000 for a revised total of $530,027,000 in federal funds for FY 1986. All but $34.9 million of FY 1986 federal funds now have been received. Table B-1 shows actual receipts for FY 1985, the revised FY 1986 budget, and the President's requested level for FY 1987 federal funds.

Table B-1
APPROPRIATED FEDERAL FUNDS RECEIVED BY THE DISTRICT, FY 1985-FY 1987 ($ Thousands)

Federal Funds	FY 1985 Actual	FY 1986 Budget	FY 1986 G-R-H Seq. Impact 1/	FY 1987 Budget
General and Other Funds:				
Federal Payment	425,000	425,000	412,358	444,500 2/
Special Crime Initiative	22,551	13,860	13,264	...
Job Training Initiative	...	500	478	...
Court Study	...	100	96	...
Education Initiative	1,502	150	144	...
Saint Elizabeths Hospital	20,000	25,000	23,925	35,000
Inaugural Expenses	2,300	...	...	...
Water/Sewer Reimbursement	24,100	30,100	29,197	28,810
Retirement Contribution	52,070	52,070	50,565	52,070
Total Federal Funds	547,523	546,780	530,027	560,380

1/ Reflects FY 1986 Gramm-Rudman-Hollings rescissions, which is the level of spending planned for FY 1986.
2/ Includes $20 million advanced appropriation for prison facility.

THE FEDERAL PAYMENT

The federal payment is an annual contribution from the federal government to compensate the District of Columbia for the extraordinary fiscal impact of the federal presence in the nation's capital. Along with District taxes and user charges, the federal payment is one of several major sources of revenue that finance the District's budget. A detailed discussion of the federal payment can be found in Appendix A.

The amount requested by the President in the FY 1987 budget is $444,500,000, an increase of $19,500,000 over the original authorized amount of $425,000,000 and $32,142,000 over the FY 1986 planned spending level of $412,358,000. The amount requested by the President includes the $20 million advanced appropriation for the design and construction of a new District prison facility. The language of the District's Home Rule Charter states, however, that only the "authorized" amount may be used to finance the District's original budget submission. Therefore, once Congress has authorized the increase recommended by the President, a budget request will be developed and submitted to the Council and the Congress for the expenditure of those funds. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $12,642,000 for a revised total of $412,358,000.

SPECIAL CRIME INITIATIVE

The District government received annual contributions for special crime initiatives for fiscal years 1983 through 1986. The FY 1983 funding of $2,343,000 provided the Metropolitan Police Department with one-time funding to purchase an automated fingerprint identification system and portable radios. The FY 1984 funding included $22,300,000 for the Department of Corrections to provide educational and vocational training for incarcerated persons and $2,341,000 for seven additional judges, support staff, and the renovation of court facilities for the Superior Court. The FY 1985 funding provided $6,215,000 for continued educational and vocational training of incarcerated persons; $1,821,000 for additional judges and other court personnel, primarily to improve the monitoring of the probation program; and $335,000 to implement parole revocation procedures. An additional $14,180,000 was provided in the FY 1985 supplemental appropriation, of which $5,403,000 was for the operation of correctional facilities. The remaining amount of $8,777,000 was for the capital program: $4,966,000 for renovating the Superior Court building and $3,811,000 for expanding prison facilities.

The FY 1986 funding agreed to in conference provided $13,860,000 for another criminal justice initiative. This is composed of $10,000,000 for the construction of prison facilities, $3,350,000 for the vocational education of incarcerated persons, $500,000 to expand the truancy program of the public schools, and $10,000 for the national guard. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $596,000 for a revised total of $13,264,000 for FY 1986.

JOB TRAINING INITIATIVE

The conferees also approved $500,000 as a special FY 1986 payment to the District to design and implement a job training program primarily for teenage school dropouts and long-term welfare recipients. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $22,000 for a revised total of $478,000 for FY 1986.

COURT STUDY

The conference provided $100,000 in funds in FY 1986 for a study on expediting court dispositions. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $4,000 for a revised total of $96,000 for FY 1986.

EDUCATION INITIATIVE

Federal funds of $350,000 also were provided in FY 1984 to enable the D.C. Public Schools to explore the feasibility of a master-teacher pilot program. To achieve that objective, the school system designed a master teachers' incentive award system during FY 1984, and federal funds of $335,000 were provided in FY 1985 to implement that design. Additional funds of $1,167,000 were included in the FY 1985 appropriation to help the school system to reduce truancy. The District appropriations subcommittees have agreed in conference to provide the District $150,000 in FY 1986 to develop a student dropout prevention program for junior high school students. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $6,000 for a revised total of $144,000 for FY 1986.

SAINT ELIZABETHS HOSPITAL

A federal contribution of $5,700,000 was appropriated in FY 1984 to help pay the health care costs of District residents who are patients at Saint Elizabeths Hospital. As part of a six-year plan to transfer administrative and financial responsibility for the hospital from the federal government to the District government (Public Law 98-621), $20,000,000 was paid to the District in FY 1985, and $25,000,000 was approved in conference for FY 1986. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $1,075,000 for a revised total of $23,925,000 for FY 1986. In FY 1987, $35,000,000 is anticipated as a contribution to the District to assist in this transfer and help the District to develop a comprehensive mental health-care system.

INAUGURAL EXPENSES

Federal funds of $2,300,000 were provided in FY 1985 to meet estimated costs associated with the 1985 presidential inaugural activities.

WATER AND SEWER REIMBURSEMENT

In FY 1987 the President's budget contains $28,810,000 to reimburse the District for providing water and sewer services for federal agencies. This amount represents a decrease of $1,290,000 from the FY 1986 budget level of $30,100,000, reflecting a reconciliation of past appropriations with actual revenue earned from servicing the federal accounts. This revenue is collected by the Water and Sewer Fund and is based on the same water and sewer rates charged to nonfederal customers.

The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $903,000 for a revised total of $29,197,000.

RETIREMENT FUNDS CONTRIBUTION

The District of Columbia Retirement Reform Act of 1979, Public Law 96-122, requires federal contributions to certain District of Columbia retirement systems and significantly changes the way that the systems formerly operated by establishing the District of Columbia Retirement Board to administer the new D.C. retirement trust funds. Moreover, trust funds were established, as required by Public Law 96-122, for each of the affected pension plans: police officers and fire fighters, teachers, and judges. In addition, the law requires an annual federal contribution of $52,070,000 for 25 years, beginning with FY 1980. This amount will pay only about 25 percent of the unfunded pension liability that accumulated before home rule because of the federal practice of funding only current retirement benefits and depositing police and fire retirement payments into the General Fund rather than a designated trust fund in which interest could accumulate.

The 1979 retirement act also requires the District to deposit amounts into the trust funds needed to bridge the gap between employee contributions and current benefits due (net-pay-as-you-go benefits) plus amortization payments to prevent the unfunded liability of each fund from growing at a rate greater than inflation.

The FY 1987 appropriation request for the retirement systems is $52,070,000, which will be deposited directly in the trust funds. The rescission of FY 1986 budget authority mandated by the Gramm-Rudman-Hollings Act is $1,505,000 for a revised total of $50,565,000 for FY 1986.

LOANS FOR CAPITAL IMPROVEMENT

The District of Columbia historically has financed its capital improvements program by borrowing from the U.S. Treasury. These loans were usually for 30 years at the prevailing Treasury interest rates. No loan authority has been appropriated since FY 1984 because the District has been obtaining the necessary capital loans in the municipal bond market.

APPENDIX C: SALARY AND AUTHORIZED POSITION DATA

SECTION I: SALARIES, GRADES, AND RANGES

I. STATUTORY LEVELS:

Mayor	84,635	1/
Council Chairman	59,375	1/
Council Members	49,375	1/
Board of Education Chairman	27,188	2/
Board of Education Members	24,688	2/
City Administrator (Executive Level IV)	72,300	3/

II. DISTRICT SERVICE SALARY SCHEDULE:

1. Regular Pay Rates

DS-18			85,887	4/
DS-17	75,509	to	85,577	4/
DS-16	64,456	to	81,648	4/
DS-15	54,959	to	71,447	4/
DS-14	46,725	to	60,738	
DS-13	39,541	to	51,394	
DS-12	33,250	to	43,222	
DS-11	27,748	to	36,055	
DS-10	25,252	to	32,821	
DS-09	22,924	to	29,818	
DS-08	20,755	to	26,992	
DS-07	18,738	to	24,372	

1/ Pursuant to Section 1109 of D.C. Law 2-139, the Comprehensive Merit Personnel Act, pay adjustments for the Mayor and Council of the District of Columbia are the same percentage increases as that of Career Service employees or the Consumer Price Index, whichever is less. The above rates reflect an assumed 4 percent career service pay increase.

2/ Pursuant to Section 1110 of D.C. Law 2-139, the Comprehensive Merit Personnel Act, the salary of the members of the Board of Education is set at one half of that of Council members. The President of the Board of Education receives an additional $2,500.

3/ No pay increase proposed for City Administrator as salary level is tied to Level IV of the Federal Executive Salary Schedule which is anticipated to be the same as FY 1986 level. FY 1987 increase is unknown at this time.

4/ Rate of pay assuming a 4.0 percent base increase applies to all grades if there is no "cap". Final determination on the "cap", which is currently $65,930, will be made in Sept. 1986. An assumed 4 percent increase in the cap would provide a new cap of 68,567.

II. DISTRICT SERVICE - continued:

1. Regular Pay Rates - continued

DS-06	16,869 to 21,927
DS-05	15,124 to 19,687
DS-04	13,525 to 17,584
DS-03	12,050 to 15,659
DS-02	11,045 to 14,339
DS-01	9,816 to 12,768

2. Special Pay Rates

a. Medical and Dental Officers

DS-15	64,119 to 80,607 1/
DS-14	57,624 to 71,637 1/
DS-13	51,394 to 63,247
DS-12	43,222 to 53,194
DS-11	36,055 to 44,362

b. Medical Technologists

DS-05	16,645 to 21,208

c. Engineers and Architects

DS-11	30,517 to 38,824
DS-09	28,286 to 35,180
DS-07	24,372 to 30,006
DS-05	19,687 to 24,250

d. Nurses

DS-12	34,836 to 45,276
DS-11	29,067 to 37,779
DS-10	26,454 to 34,383
DS-09	24,463 to 31,789
DS-08	24,220 to 30,448
DS-07	23,267 to 29,414
DS-05	21,553 to 26,530

1/ Rate of pay assuming a 4.0 percent base increase applies to all grades if there is no "cap". Final determination on the "cap", which is currently $65,930, will be made in Sept. 1986. An assumed 4 percent increase in the cap would provide a new cap of 68,567.

III. REGULAR WAGE SERVICE:

1. Non-Supervisory Grade (RW)

RW-15	29,640 to 34,570
RW-14	28,475 to 33,218
RW-13	27,269 to 31,824
RW-12	26,146 to 30,493
RW-11	24,960 to 29,120
RW-10	23,754 to 27,726
RW-09	22,568 to 26,333
RW-08	21,424 to 25,002
RW-07	20,238 to 23,629
RW-06	18,928 to 22,090
RW-05	17,763 to 20,737
RW-04	16,619 to 19,386
RW-03	15,434 to 18,013
RW-02	14,248 to 16,640
RW-01	13,104 to 15,288

2. Leader Grade (LW)

LW-15	32,656 to 38,085
LW-14	31,283 to 36,504
LW-13	30,014 to 35,006
LW-12	28,704 to 33,509
LW-11	27,456 to 32,032
LW-10	26,146 to 30,493
LW-09	24,814 to 28,954
LW-08	23,587 to 27,518
LW-07	22,235 to 25,958
LW-06	20,862 to 24,336
LW-05	19,531 to 22,776
LW-04	18,283 to 21,341
LW-03	16,994 to 19,822
LW-02	15,683 to 18,283
LW-01	14,394 to 16,806

3. Supervisory Grade (SW)

SW-19	44,845 to 52,333
SW-18	42,474 to 49,546
SW-17	40,290 to 47,008
SW-16	38,251 to 44,637
SW-15	36,483 to 42,557
SW-14	34,923 to 40,747
SW-13	33,675 to 39,270
SW-12	32,490 to 37,898
SW-11	31,595 to 36,858
SW-10	30,846 to 35,984

III. REGULAR WAGE SERVICE - continued:

3. Supervisory Grade (SW) - continued

SW-09	29,702 to 34,632
SW-08	28,579 to 33,342
SW-07	27,414 to 31,990
SW-06	26,187 to 30,534
SW-05	25,043 to 29,203
SW-04	23,837 to 27,810
SW-03	22,672 to 26,437
SW-02	21,486 to 25,064
SW-01	20,342 to 23,733

IV. PRINTING WAGE SERVICE:

PW-18	33,696 to 37,253
PW-17	31,491 to 34,778
PW-16	29,286 to 32,386
PW-15	27,477 to 30,347
PW-14	26,000 to 28,704
PW-13	24,461 to 27,040
PW-12	23,026 to 25,480
PW-11	21,882 to 24,211
PW-10	21,174 to 23,421
PW-09	20,446 to 22,547
PW-08	19,698 to 21,778
PW-07	18,970 to 20,966
PW-06	18,200 to 20,092
PW-05	17,410 to 19,261
PW-04	16,661 to 18,429
PW-03	15,870 to 17,514
PW-02	15,122 to 16,682
PW-01	14,352 to 15,850

V. DISTRICT OF COLUMBIA PUBLIC SAFETY SALARY SCHEDULES:

1. Police

Class 11	Chief	73,789 to 78,262	1/
Class 10	Assistant Chief	64,407 to 72,991	1/
Class 09	Deputy Chief	54,320 to 65,359	
Class 08	Inspector	46,286 to 53,246	
Class 07	Captain	39,931 to 45,918	
Class 05	Lieutenant	33,703 to 40,447	

1/ Rate of pay assuming a 4.0 percent base increase applies to all grades if there is no "cap". Final determination on the "cap", which is currently $65,930, will be made in Sept. 1986. An assumed 4 percent increase in the cap would provide a new cap of 68,567.

V. DISTRICT OF COLUMBIA PUBLIC SAFETY SALARY SCHEDULE - continued:

1. Police - continued

Class 04	Sergeant/Detective Sergeant	29,158 to 36,450	
Class 03	Detective	26,836 to 34,887	
Class 01	Private	21,470 to 30,916	

2. Fire:

Class 11	Chief	73,789 to 78,262	1/
Class 10	Assistant Fire Chief	64,407 to 72,991	1/
Class 09	Deputy Chief	54,320 to 65,359	
Class 08	Battalion Chief	46,286 to 53,246	
Class 07	Captain	39,931 to 45,918	
Class 06	Marine Engineer	36,823 to 42,327	
Class 05	Lieutenant	33,703 to 40,447	
Class 04	Sergeant	29,158 to 36,450	
Class 03	Asst. Pilot and Asst. Marine Engineer	26,836 to 34,887	
Class 02	Inspector	24,447 to 33,491	
Class 01	Private	21,470 to 30,916	

3. District of Columbia Courts
Court of Appeals, Superior Court and Court System

Chief Judge - Court of Appeals	75,380	2/
Chief Judge - Superior Court	71,330	3/
Associate Judge - Court of Appeals	74,880	2/
Associate Judge - Superior Court	70,830	3/
Executive Officer - D.C. Court System	70,830	4/

1/ Rate of pay assuming a 4.0 percent base increase applies to all grades if there is no "cap". Final determination on the "cap", which is currently $65,930, will be made in Sept. 1986. An assumed 4 percent increase in the cap would provide a new cap of 68,567.

2/ The level of compensation to be paid to judges of the D.C. Court of Appeals is 90 per centum of the rate prescribed by law for judges of the United States Court of Appeals (Title 11-703(b), D.C. Code).

3/ The level of compensation to be paid to judges of the Superior Court is 90 per centum of the rate prescribed by law for judges of the United States Court of Appeals (Title 11-904(b), D.C. Code).

4/ The level of compensation for the Executive Officer is at the same level as an associate judge of the Superior Court (Title 11-1703(c), D.C. Code).

3. District of Columbia Courts - continued
Court of Appeals, Superior Court and Court System

CS-17	66,000 1/
CS-16	61,980 to 66,000
CS-15	52,847 to 66,000
CS-14	44,927 to 58,409
CS-13	38,019 to 49,422
CS-12	31,972 to 41,566
CS-11	26,676 to 34,677
CS-10	24,280 to 31,561
CS-09	22,048 to 28,663
CS-08	19,961 to 25,946
CS-07	18,022 to 23,431
CS-06	16,218 to 21,087
CS-05	14,551 to 18,916
CS-04	13,006 to 16,912
CS-03	11,586 to 15,060

VI. DISTRICT OF COLUMBIA EDUCATION SALARY SCHEDULES:

1. Board of Education 2/

a. Administrative and Faculty Schedule

Class-1A	81,446 3/
Class-1B	71,600
Class-2A	68,020

1/ The pay rate ranges for classified positions for the D.C. Courts have been projected based on a 4.0 percent increase over the FY 1986 rates currently projected by the District Government for its employees in FY 1987. Since the Executive Officer and the Joint Committee on Judicial Administration are, by statute, to be guided by District and Federal salaries for comparable positions, the FY 1987 salary schedule will be considered and adopted by the Joint Committee immediately prior to the beginning of FY 1987. Therefore, the above rates are tentative and subject to change.

2/ District of Columbia Education Salary Schedules are pursuant to the District of Columbia Teacher's Salary Act of 1955 as amended, (D.C. Code, Sec. 31-1501,et seq.) D.C. Law 2-139, Sec. 1103 as amended, D.C. Code 1-612.3.

3/ The rate of compensation for Class -1A is limited to the rate of pay pursuant to Title XI of D.C. Law 2-139, Sec. 1103(4); D.C. Code 1-612.3(a)(4).

VI. DISTRICT OF COLUMBIA EDUCATION SALARY SCHEDULES - continued:

1. Board of Education 2/

a. Administrative and Faculty Schedule - continued

Class-2B	64,441
Class-03	49,026 to 58,342
Class-04	43,047 to 51,181
Class-05	40,727 to 50,747
Class-06	38,910 to 47,993
Class-07	35,802 to 44,325
Class-08	33,247 to 41,561
Class-09	32,149 to 40,327
Class-10	31,116 to 39,085
Class-11	30,101 to 37,861
Class-12	29,066 to 36,551
Class-13	26,966 to 35,713
Class-14	20,614 to 35,031
Class-15	17,603 to 36,393

b. Educational Service

EG-15	52,847 to 68,696
EG-14	44,928 to 58,401
EG-13	38,018 to 49,421
EG-12	31,969 to 41,563
EG-11	26,679 to 34,671
EG-10	24,511 to 31,855
EG-09	22,255 to 28,933
EG-08	20,147 to 26,195
EG-07	18,193 to 23,647
EG-06	16,371 to 21,285
EG-05	14,683 to 19,102
EG-04	13,130 to 17,063
EG-03	11,693 to 15,203
EG-02	10,721 to 13,916
EG-01	9,533 to 12,386

VI. DISTRICT OF COLUMBIA EDUCATION SALARY SCHEDULES - continued:

2. University if the District of Columbia 1/

Administrative and Faculty Schedule

UA-IA	82,1752/
UA-IIA	59,945 to 73,490
UA-IIB	56,090 to 69,635
UA-III	47,315 to 60,825
UA-IV	41,960 to 53,650
UA-V	37,460 to 47,855
UA-VI	35,250 to 45,225
UA-VII	31,840 to 40,765
UA-VII	28,955 to 37,005
UA-IX	24,255 to 31,045
UA-X	21,930 to 28,090
UA-XI	19,955 to 25,485
UA-XII	18,145 to 23,255
UA-XIII	16,360 to 20,980
UA-XIV	14,655 to 18,890
UA-XV	12,530 to 16,065
UF-1 Distinguished Professor	47,315
UA-2 Professor	30,555 to 44,325
UA-3 Associate Professor	24,405 to 35,250
UA-4 Assistant Professor	19,820 to 28,820
Intructor	17,890 to 25,945

1/ These rates are established under the provisions of section 206(j) of D.C. Law 1-36 (sec. 31-1716(j) of the D.C. Code). D.C. Law 2-139, Sec. 1103 as amended, D.C. Code 1-612.3.

2/ The rate of compensation for salaries UA-1A is limited to the rate of pay pursuant to Title XI of D.C. Law 2-139, Sec. 1103(a)(4), D.C. Code 1-612.3(a)(4).

VII. WASHINGTON CONVENTION CENTER

General Manager	55,000 to 85,000
CC-11	45,200 to 67,563
CC-10	37,500 to 67,563
CC-09	35,000 to 67,563
CC-08	28,000 to 54,051
CC-07	25,000 to 48,259
CC-06	18,000 to 34,747
CC-05	16,500 to 31,851
CC-04	15,000 to 28,956
CC-03	12,500 to 24,130
CC-02	10,500 to 20,269
CC-01	10,000 to 19,304

SECTION II: DETAIL OF PERMANENT POSITIONS - APPROPRIATED FUNDS

GENERAL FUND

GOVERNMENTAL DIRECTION AND SUPPORT

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
Executive Level IV	1	1	1
DS-18	2	2	2
DS-17	6	7	7
DS-16	12	12	12
DS-15	47	50	51
DS-14	78	101	109
DS-13	225	236	238
DS-12	215	231	241
DS-11	202	232	267
DS-10	13	17	19
DS-09	220	224	239
DS-08	47	58	58
DS-07	234	235	234
DS-06	127	134	132
DS-05	257	245	293
DS-04	111	114	125
DS-03	25	32	31
DS-02	2	4	4
Ungraded	145	140	151
Total permanent positions	1,969	2,075	2,214
Unfilled positions, end of year	167	84	77
Total permanent employment, end of year	1,802	1,991	2,137

ECONOMIC DEVELOPMENT AND REGULATION

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	2	2	2
DS-17	5	5	6
DS-16	10	9	8
DS-15	26	29	35
DS-14	77	73	79
DS-13	100	109	128
DS-12	102	127	149
DS-11	148	165	195
DS-10	29	29	31
DS-09	141	146	186
DS-08	76	76	77
DS-07	73	101	120
DS-06	89	100	114
DS-05	127	143	165
DS-04	42	43	47
DS-03	18	19	22
DS-02	0	5	4
Ungraded	38	40	40
Housing Finance Agency	(16)	(16)	(18)
Total permanent positions	1,103	1,221	1,408
Unfilled positions, end of year.	81	68	63
Total permanent employment, end of year	1,022	1,153	1,345

PUBLIC SAFETY AND JUSTICE

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	2	2	2
DS-17	4	4	4
DS-16	15	15	14
DS-15	57	60	60
DS-14	71	84	82
DS-13	173	177	180
DS-12	420	427	432
DS-11	442	452	394
DS-10	182	208	228
DS-09	580	494	563
DS-08	1,052	905	855
DS-07	654	853	1,065
DS-06	692	775	728
DS-05	321	314	295
DS-04	104	113	174
DS-03	16	10	19
DS-02	1	1	26
District Police/Fire 11	2	2	2
District Police/Fire 10	6	6	7
District Police/Fire 9	18	20	22
District Police/Fire 8	55	55	57
District Police/Fire 7	112	115	116
District Police/Fire 6	6	6	6
District Police/Fire 5	272	273	276
District Police/Fire 4	542	546	556
District Police/Fire 3	23	23	23
District Police/Fire 2	43	43	43
District Police/Fire 1	4,253	4,243	4,248
Ungraded	409	459	419
Public Defender Service	(117)	(117)	(120)
Total permanent positions	10,527	10,685	10,896
Unfilled positions, end of year.	841	395	340
Total permanent employment, end of year	9,686	10,290	10,556

PUBLIC EDUCATION SYSTEM

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-AA	1	1	1
DS-AB	10	10	10
DS-16	1	1	1
DS-15	9	9	9
DS-14	11	11	11
DS-13	45	45	45
DS-12	65	72	73
DS-11	123	125	126
DS-10	14	15	17
DS-09	177	188	206
DS-08	82	87	84
DS-07	196	349	355
DS-06	346	192	190
DS-05	215	218	218
DS-04	299	307	323
DS-03	32	27	27
DS-02	2	4	4
DS-01	...	...	...
Ungraded	1,751	1,769	1,769
ET-1A	1	1	1
ET-1B	1	1	1
ET-2B	3	3	3
ET-3	11	11	11
ET-5	13	15	15
ET-6	192	193	193
ET-7	34	35	35
ET-8	143	154	154
ET-9	60	72	81
ET-11	1	1	1
ET-12	12	14	14
ET-13	1	2	2
ET-15	5,706	5,750	5,858
EG-15	7	7	7
EG-14	4	4	4
EG-13	12	13	13
EG-12	26	28	30
EG-11	16	18	29
EG-10	0	1	1
EG-09	148	128	129
EG-08	3	3	3
EG-07	10	10	10
EG-06	26	26	27
EG-05	54	54	54
EG-04	167	199	199

PUBLIC EDUCATION SYSTEM- continued

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
EG-03	6	6	8
EG-02	12	12	12
UA-I	1	1	1
UA-IIA	1	1	1
UA-IIB	10	10	12
UA-III	12	12	10
UA-IV	28	28	29
UA-V	33	33	32
UA-VI	33	33	34
UA-VII	34	34	37
UA-VIII	75	75	78
UA-IX	30	30	27
UA-X	54	54	51
UA-XI	26	26	26
UA-XII	37	37	39
UA-XII	16	16	12
UA-XIV	9	9	10
UA-XV	2	2	3
Faculty			
UF-1	5	5	5
UF-2	198	198	199
UF-3	184	184	184
UF-4	181	181	181
UF-5	35	35	35
Total permanent positions	11,052	11,195	11,370
Unfilled positions, end of year.	423	259	238
Total permanent employment, end of year	10,629	10,936	11,132

HUMAN SUPPORT SERVICES

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	1	1	1
DS-17	2	2	2
DS-16	6	7	7
DS-15	65	69	69
DS-14	72	77	83
DS-13	136	137	138
DS-12	237	248	247
DS-11	363	392	403
DS-10	47	47	46
DS-09	599	633	681
DS-08	182	190	185
DS-07	478	519	538
DS-06	313	319	331
DS-05	503	520	526
DS-04	189	196	208
DS-03	32	34	33
DS-02	13	13	13
Ungraded	665	665	669
Total permanent positions	3,903	4,069	4,180
Unfilled positions, end of year	490	32	31
Total permanent employment, end of year	3,413	4,037	4,149

SALARY AND AUTHORIZED POSITION DATA TABLES

PUBLIC WORKS

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	2	2	2
DS-17	0	0	0
DS-16	4	4	4
DS-15	18	17	17
DS-14	26	27	27
DS-13	41	42	42
DS-12	79	81	81
DS-11	79	81	81
DS-10	10	6	6
DS-09	55	59	61
DS-08	23	35	12
DS-07	133	129	153
DS-06	82	71	72
DS-05	115	116	118
DS-04	37	58	58
DS-03	13	14	14
DS-02	2	2	2
Ungraded	1,127	1,151	1,151
Total permanent positions	1,846	1,895	1,901
Unfilled positions, end of year.	238	199	197
Total permanent employment, end of year	1,608	1,696	1,704

WATER AND SEWER ENTERPRISE FUND

WATER AND SEWER UTILITY ADMINISTRATION

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-16	1	1	1
DS-15	5	7	7
DS-14	14	15	15
DS-13	32	37	37
DS-12	37	43	43
DS-11	30	38	39
DS-10	2	2	2
DS-09	20	36	40
DS-08	4	6	6
DS-07	37	52	55
DS-06	70	75	78
DS-05	35	64	65
DS-04	15	22	22
DS-03	5	6	6
DS-02	1	1	1
Ungraded	755	868	871
Washington Aqueduct (Federal Employees)	(275)	(275)	(275)
Total permanent positions	1,063	1,273	1,288
Unfilled positions, end of year.	113	60	60
Total permanent employment, end of year	950	1,213	1,228

SALARY AND AUTHORIZED POSITION DATA TABLES

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

WASHINGTON CONVENTION CENTER

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
CC-11	1	1	1
CC-10	1	1	1
CC-09	2	2	3
CC-08	5	5	6
CC-07	10	10	10
CC-06	22	22	24
CC-05	12	12	11
CC-04	9	9	9
CC-03	28	28	27
CC-02	52	52	49
CC-01	1	1	2
Ungraded	1	1	1
Total permanent positions	144	144	144
Unfilled positions, end of year	4	4	4
Total permanent employment, end of year	140	140	140

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

LOTTERY AND CHARITABLE GAMES CONTROL BOARD

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	1	1	1
DS-16	1	1	1
DS-15	4	3	3
DS-14	7	8	8
DS-13	9	10	10
DS-12	8	9	9
DS-11	5	7	7
DS-10	0	1	1
DS-09	7	13	13
DS-07	11	13	13
DS-06	7	7	7
DS-05	8	9	9
DS-04	10	11	11
DC-03	1	1	1
Total permanent positions	79	94	94
Unfilled positions, end of year	19	10	8
Total permanent employment, end of year	60	84	86

SALARY AND AUTHORIZED POSITION DATA TABLES

CABLE TELEVISION ENTERPRISE FUND

CABLE TELEVISION

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-15	1	1	1
DS-12	1	1	1
DS-08	1	1	1
DS-06	1	1	1
Total permanent positions	4	4	4
Unfilled positions, end of year.	0	0	0
Total permanent employment, end of year	4	4	4

D.C. GENERAL HOSPITAL ENTERPRISE FUND

D.C. GENERAL HOSPITAL

Grades	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
DS-18	1	1	1
DS-17	2	2	2
DS-16	4	12	12
DS-15	115	107	107
DS-14	29	29	29
DS-13	41	42	43
DS-12	86	88	87
DS-11	142	142	142
DS-10	25	25	25
DS-09	350	350	350
DS-08	23	23	23
DS-07	232	232	232
DS-06	317	317	317
DS-05	286	286	286
DS-04	101	109	109
DS-03	32	30	30
DS-02	0	0	0
DS-01	0	0	0
Ungraded	336	336	336
Total permanent positions	2,122	2,131	2,131
Unfilled positions, end of year.	54	16	16
Total permanent employment, end of year	2,068	2,115	2,115

Table D-1
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOW COMPLETE)

	Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(1)	Ackridge Company	265,000 square feet	1985	384,149	...	376,618	...	...	760,767
	15th & K Street, N.W.	(office)	1990	494,496	...	534,028	...	...	1,028,524
		15,000 square feet	1985	...	132,637	20,250	34,145	...	187,031
		(retail)	1990	...	170,736	30,000	43,953	...	244,689
		132 parking spaces	1985	...	...	...	...	19,648	19,648
			1990	...	...	...	...	25,292	25,292
(2)	Ackridge Company	134,000 square feet	1985	194,249	...	190,441	...	11,081	395,771
	Vermont & L St., N.W.	(office)	1990	250,047	...	270,037	...	14,264	534,348
		15,000 square feet	1985	...	132,637	20,250	34,145	...	187,031
		(retail)	1990	...	170,736	30,000	43,953	...	244,689
(3)	American Security Bank	150,000 square feet	1985	217,443	...	...	...	...	217,443
	7th & Mass. Ave., N.W.	(addition)	1990	279,903	...	...	...	...	279,903
(4)	American Society of	293,000 square feet	1985	424,738	...	416,412		...	841,150
	Association	(office)	1990	546,744	...	590,454		...	1,137,198
	15th & I Street, N.W.	12,000 square feet	1985	...	106,109	16,200	27,316	...	149,625
		(retail)	1990	...	136,589	24,000	35,162	...	195,751
		200 parking spaces	1985	...	...	...	...	29,770	29,770
			1990	...	...	...	...	38,321	38,321
(5)	Barnes, Morris & Pardoe	275,000 square feet	1985	398,645	...	390,830	...	22,741	812,216
	Vermont & L Streets, N.W.	(office)	1990	513,156	...	554,180	...	29,273	1,096,609
(6)	Blackie's Marriott	350-room hotel	1985	802,858	1,177,349	72,975	61,120	...	2,114,302
	23rd & M St., N.W.		1990	1,033,478	1,515,541	109,200	78,677	...	2,736,896
		700-seat restaurant	1985	...	1,036,894	...	127,020	...	1,163,914
			1990	...	1,334,741	...	163,506	...	1,498,247
		Parking	1985	...	...	...	...	19,350	19,350
		130 parking spaces	1990	...	...	...	...	24,909	24,909

Table D-1
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOW COMPLETE)
(CONTINUED)

	Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(7)	Conrad Cafritz	225,000 square feet	1985	326,164	...	319,770	...	18,606	664,540
	13th & K Streets, N.W	(office)	1990	419,855	...	453,420	...	23,951	897,225
(8)	D.C. American Medical	150,000 square feet	1985	217,443	...	213,180	...	12,404	443,027
	Association	(office)	1990	279,903	...	302,280	...	15,967	598,150
	Vermont & L St., N.W.								
(9)	Dolley Madison	48-room hotel	1985	110,106	94,182	10,008	8,382	...	222,678
	M Street, N.W.	(expansion)	1990	141,734	207,846	14,976	10,790	...	375,346
(10)	Donohoe Company	529-room hotel	1985	1,213,462	1,779,479	110,297	92,378	...	3,195,616
	Federal Center Plaza		1990	1,562,028	2,290,632	165,048	118,914	...	4,136,622
	400, 500, 550 C St., S.W.	700,000 square feet	1985	1,014,734	...	994,840	...	...	2,009,574
		(office)	1990	1,306,215	...	1,410,640	...	...	2,716,855
		30,000 square feet	1985	...	265,273	40,500	68,290	...	374,063
		(retail)	1990	...	341,473	60,000	87,906	...	489,379
		1,000 parking spaces	1985	...	...	...	...	148,849	148,849
			1990	...	...	...	...	191,605	191,605
(11)	Donohoe Construction	100-room hotel	1985	229,388	336,385	20,850	17.643	...	604,086
	Wisconsin Avenue	(expansion)	1990	295,279	433,012	31,200	22,479	...	781,970
(12)	Econo Car Rental	Rental car facility	1985	2,899	40,000	3,475	...	...	46,374
	12th & K Street, N.W.		1990	3,732	51,600	5,200	...	...	60,532

Table D-1
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOW COMPLETE)
(CONTINUED)

Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(13) Food Processors Assoc.	290,000 square feet	1985	420,390	...	412,148	...	23,981	856,519
14th & New York Avenue	(office)	1990	541,146	...	584,408	...	30,870	1,156,424
(14) Ritz-Carlton	180-room hotel	1985	412,898	605,494	37,530	31,433	...	1,087,355
21st & Mass. Avenue, N.W.	(renovation)	1990	531,503	779,421	56,160	40,462	...	1,407,546
(15) George Washington	216,000 square feet	1985	313,118	...	306,979	...	17,862	637,959
University	(office)	1990	403,061	...	435,283	...	22,993	861,336
13th & H Streets, N.W.	24,000 square feet	1985	...	212,219	32,400	54,632	...	299,250
	(retail)	1990	...	273,178	48,000	70,325	...	391,503
(16) Georgetown Plaza	218-room hotel	1985	500,066	733,320	45,453	38,069	...	1,316,908
2800 Penn. Avenue, N.W.		1990	643,709	943,966	68,016	49,004	...	1,704,695
(17) H.G. Smithy Company	34,841 square feet	1985	50,506	...	49,516	...	...	100,022
1010 Mass. Avenue, N.W.	(office)	1990	65,014	...	70,212	...	...	135,226
	2,134 square feet	1985	...	18,870	2,881	4,858	...	26,608
	(retail)	1990	...	24,290	4,268	6,253	...	34,811
	33 parking spaces	1985	...	...	...	...	4,912	4,912
		1990	...	...	...	...	6,323	6,323
(18) International Dev. Inc.	1,000,000 square feet	1985	1,449,619	...	1,421,200	...	82,694	2,953,513
7th & 8th, I & K St., N.W.	(office)	1990	1,866,021	...	2,015,200	...	106,447	3,987,668
	500-room hotel	1985	1,146,940	1,681,927	104,250	87,314	...	3,020,431
		1990	1,476,397	2,165,059	156,000	112,395	...	3,909,851

Table D-1
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOW COMPLETE)
(CONTINUED)

Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(19) JBG Associates	180,000 square feet	1985	260,931	...	255,816	...	14,885	531,632
14th & K Street, N.W.	(office)	1990	335,884	...	362,736	...	19,161	717,780
	16,000 square feet	1985	...	141,479	21,600	36,421	...	199,500
	(retail)	1990	...	182,119	32,000	46,883	...	261,002
(20) Metropolitan Square	660,000 square feet	1985	956,749	...	937,992	...	54,578	1,949,319
14th, 15th & G Sts., N.W.	(office)	1990	1,231,574	...	1,330,032	...	70,255	2,631,861
	41,000 Square feet	1985	...	362,540	55,350	93,329	...	511,219
	(retail)	1990	...	466,680	82,000	120,138	...	668,817
(21) Old Georgetown	470,000 square feet	1985	681,321	...	667,964	...	38,866	1,388,151
Law School	(office)	1990	877,030	...	947,144	...	50,030	1,874,204
(22) Prudential Insurance	250,000 square feet	1985	362,405	...	355,300	...	20,673	738,378
One Thomas Circle	(office)	1990	466,505	...	503,800	...	26,612	996,917
(23) Quadrangle Development	775-room hotel	1985	1,777,757	2,606,987	161,588	135,337	...	4,681,668
		1990	2,288,415	3,355,841	241,800	174,212	...	6,060,269
	450,000 square feet	1985	652,329	...	639,540	...	...	1,291,869
	(office)	1990	839,709	...	906,840	...	...	1,746,549
	100,000 square feet	1985		884,245	135,000	227,632	...	1,246,877
	(retail)	1990		1,138,243	200,000	293,019	...	1,631,262
	1,100 parking spaces	1985		...	...	...	163,733	163,733
		1990	...	...	...	...	210,766	210,766

Table D-1
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOW COMPLETE) (CONTINUED)

	Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(24)	Snaperton Assoc.	335,000 square feet	1985	485,622	476,102	...	...	27,702	989,427
	3rd & F Streets, N.W.	(office)	1990	625,117	...	675,092	...	35,660	1,335,869
(25)	Sylvan C. Herman	500,000 square feet	1985	724,810	...	710,600	...	...	1,435,410
	Vermont & L Sts., N.W.	(office)	1990	933,010	...	1,007,600	...	...	1,940,610
		300 parking spaces	1985	...	...	...	...	44,655	44,655
			1990	...	...	...	...	57,482	57,482
(26)	Transcarribean Bldg.	44,000 square feet	1985	63,783	...	62,533	...	3,639	129,955
	1420 New York Ave., N.W.	(office renovation)	1990	82,105	...	88,669	...	4,684	175,457
(27)	Vega Corporation	160-room hotel	1985	367,021	538,217	33,360	27,941	...	966,538
	30th & N Street, N.W.		1990	472,447	692,819	49,920	35,966	...	1,251,152
		130-seat restaurant	1985	...	192,566	...	23,589	...	216,155
			1990	...	247,880	...	30,365	...	278,246
(28)	Vista International	400-room hotel	1985	917,552	1,345,542	83,400	69,851	...	2,416,345
	Thomas Circle		1990	1,181,118	1,732,047	124,800	89,916	...	3,127,881
(29)	WMATA Properties	156,000 square feet	1985	226,141	...	221,707	...	...	447,848
	14 & I Streets, N.W.	(office)	1990	291,099	...	314,371	...	...	605,470
		10,725 square feet	1985	...	94,835	14,479	24,414	...	133,728
		(retail)	1990	...	122,077	21,450	31,426	...	174,953
		30 parking spaces	1985	...	...	...	...	11,908	11,908
			1990	...	...	...	...	15,328	15,328
	TOTAL COMPLETED PROJECTS		1985	17,306,236	14,519,185	10,461,582	1,325,078	792,536	44,404,616
			1990	22,277,433	18,776,526	14,910,463	1,705,705	1,020,191	58,690,318

Table D-2
TAX IMPACT OF DEVELOPMENT RESULTING FROM CONVENTION CENTER (PROJECTS NOT YET COMPLETED)

	Development	Description	Year	Property Taxes	Sales Taxes	Indiv. Inc.Tax	Franchise Tax	Parking Tax	Total Est.Taxes
(1)	Channel Inn Motel 650 Water St. NW	50-room hotel	1990	147,640	216,506	15,600	11,240	...	390,985
(2)	Jerome Colub Realty 9th & Eye St. NW	200 Townhouse Units '83 Value $50,000	1990	141,056	...	...	...	...	141,056
(3)	Richard S. Cohen 9th. & Eye St. NW	500-room hotel	1990	1,476,397	2,165,059	156,000	112,395	...	3,909,851
(4)	Ritz Carlton 21st. & Mass Ave NW	120-room hotel	1990	354,335	519,614	37,440	26,975	...	938,364
(5)	Total Mgmt. Inc. Union Center Plaza	1,000,000 square feet (office)	1990	1,866,021	...	2,015,200	...	106,447	3,987,668
(6)	Washington Hotel New Jersey Avenue	200-room hotel	1990	590,559	866,023	62,400	44,958	...	1,563,940
(7)	WMATA Properties (2 locations)	792,400 square feet (office)	1990	1,478,635	...	1,596,844	...	84,349	3,159,828
		138,600 square feet (retail)	1990	...	1,577,605	277,200	406,124	...	2,260,929
		527-room hotel	1990	1,556,122	2,281,972	164,424	118,464	...	4,120,983
		350 parking spaces	1990	...	...	...	...	67,062	67,062
		165 res. units '83 value $80,000	1990	201,520	...	...	...	...	201,520
(8)	Willard Hotel Site Fairmont Hotel Co.	600-room hotel	1990	1,771,676	2,598,070	187,200	134,874	...	4,691,821
		32,000 square feet (retail)	1990	...	364,238	64,000	93,766	...	522,004
		200 parking spaces	1990	...	...	...		38,321	38,321
(9)	Woodward & Lothrop North Store	900-room hotel	1990	2,657,515	3,897,106	280,800	202,311	...	7,037,731
		396,000 square feet (office)	1990	738,944	...	789,019	...	42,153	1,579,117
		200,000 square feet (retail)	1990	...	2, 76,486	400,000	586,038	...	3,262,524
TOTAL PROJECTS NOT COMPLETED			1990	12,980,420	16,762,679	6,055,128	1,737,146	338,332	37,873,704

APPENDIX E: CLASSIFICATION OF FUNDS AND ACCOUNTS

The classification of District of Columbia funds and accounts is provided in accordance with D.C. Code, § 47-375(a), which requires the Mayor to notify the Council of the District of Columbia of such classification at the time of the annual budget submission. The fund and account structure as of September 30, 1985, is shown in hierarchical order: fund category, fund type, and fund. The Financial Management System codes assigned to each fund are also included.

GOVERNMENTAL FUNDS

- General Fund
  - General Fund (100)
  - Antitrust Fund (103)
  - Low-Rent Housing Fund Title II Fund (104)
  - Debt Service Fund (200)
  - Community Development Block Grant Fund (310)
  - Cable Television Fund (421)
  - DGS Internal Service Fund (501)
  - Correctional Industries Fund (502)
  - Share Internal Service Fund (503)
  - Motor Vehicle Maintenance Fund (504)
  - Department of Human Services Stores Fund (505)
  - D.C. Public Schools Stores Fund (506)
- Capital Projects Fund
  - General Capital Projects Fund (300)
  - Water and Sewer Fund: Capital (350)
  - D.C. General Hospital Fund: Capital (360)
  - D.C. University Capital Project Fund (370)
  - Convention Center Fund: Capital (380)

PROPRIETARY FUNDS

- Enterprise Funds
  - D.C. General Hospital Fund: Unrestricted Operating Fund (401)
  - D.C. General Hospital Fund: Restricted Operating Fund (402)
  - Water and Sewer Fund: Operating (403)
  - Starplex Fund (404)
  - Convention Center Fund: Operating (412)
  - Lottery and Charitable Games Fund (420)
- Municipal University Funds
  - Unrestricted University Funds (405, 406)
  - Auxiliary University Fund (407)
  - University Student Loan Fund (408)
  - University Endowment Fund (409)
  - University Plant Unexpended Fund (410)

Municipal University Funds (cont'd)
- University Plant Investment Fund (411)
- Restricted University Funds:
  - Federal (413)
  - Private (414)
  - University (415)
  - Intra-District (416)

FIDUCIARY FUNDS

Trust Funds
- Unemployment Compensation Trust Fund (601)
- Housing Finance Trust Fund (604)
- Real Estate Guaranty and Education Fund (605)
- Pension Trust Funds:
  - Teachers (701)
  - Police Officers and Fire Fighters (702)
  - Judges (703)

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
D. C. Council (AB)					
11: Regular Pay	3,660	4,222	4,866	5,503	78.0%
12: Regular Pay - Other	254	0	0	0	0.0%
13: Additional Gross Pay	31	137	20	45	0.6%
14: Fringe Benefits	361	387	486	544	7.7%
PS subtotal	4,306	4,746	5,372	6,092	86.4%
20: Supplies	91	86	119	119	1.7%
30a: Energy	0	0	0	0	0.0%
30b: Communications	118	124	146	146	2.1%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	312	404	385	510	7.2%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	232	459	313	188	2.7%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	753	1,073	963	963	13.6%
Totals	5,059	5,819	6,335	7,055	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
D.C. Auditor (AC)					
11: Regular Pay	412	377	553	589	85.5%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	4	20	0	0	0.0%
14: Fringe Benefits	40	33	51	54	7.8%
PS subtotal	456	430	604	643	93.3%
20: Supplies	2	3	3	3	0.4%
30a: Energy	0	0	0	0	0.0%
30b: Communications	14	15	16	18	2.6%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	13	13	32	17	2.5%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	3	6	8	1.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	29	34	57	46	6.7%
Totals	485	464	661	689	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
ANC's (DX)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	1,058	1,041	1,072	1,072	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	1,058	1,041	1,072	1,072	100.0%
Totals	1,058	1,041	1,072	1,072	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Office of Mayor (AA)					
11: Regular Pay	721	721	1,191	1,405	70.1%
12: Regular Pay - Other	85	139	42	44	2.2%
13: Additional Gross Pay	7	31	13	14	0.7%
14: Fringe Benefits	79	83	123	145	7.2%
PS subtotal	892	974	1,369	1,608	80.2%
20: Supplies	6	22	33	33	1.6%
30a: Energy	0	4	0	0	0.0%
30b: Communications	72	81	49	49	2.4%
30c: Building Rent	0	0	12	12	0.6%
40: Other Services/Charges	78	127	155	193	9.6%
50: Subsidies/Transfers	2	2	2	2	0.1%
60: Land	0	0	0	0	0.0%
70: Equipment	20	52	108	108	5.4%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	178	288	359	397	19.8%
Totals	1,070	1,262	1,728	2,005	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Office of the Secretary (BA)					
11: Regular Pay	817	961	1,051	1,025	42.2%
12: Regular Pay - Other	81	168	123	130	5.3%
13: Additional Gross Pay	56	51	15	16	0.7%
14: Fringe Benefits	86	105	115	115	4.7%
PS subtotal	1,040	1,285	1,304	1,286	52.9%
20: Supplies	12	26	30	30	1.2%
30a: Energy	0	0	29	29	1.2%
30b: Communications	32	71	67	67	2.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	617	663	734	808	33.2%
50: Subsidies/Transfers	0	55	58	58	2.4%
60: Land	0	0	0	0	0.0%
70: Equipment	53	140	153	153	6.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	714	955	1,071	1,145	47.1%
Totals	1,754	2,240	2,375	2,431	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Inspector General (AD)					
11: Regular Pay	701	788	747	1,092	84.5%
12: Regular Pay - Other	112	50	49	51	3.9%
13: Additional Gross Pay	2	27	0	0	0.0%
14: Fringe Benefits	80	84	78	115	8.9%
PS subtotal	895	949	874	1,258	97.3%
20: Supplies	3	2	2	4	0.3%
30a: Energy	0	0	0	0	0.0%
30b: Communications	3	6	9	11	0.9%
30c: Building Rent	1	0	0	0	0.0%
40: Other Services/Charges	9	15	10	16	1.2%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	1	0	0	4	0.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	17	23	21	35	2.7%
Totals	912	972	895	1,293	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Press Secretary (BB)					
11: Regular Pay	136	165	302	349	74.1%
12: Regular Pay - Other	35	57	0	0	0.0%
13: Additional Gross Pay	0	6	0	0	0.0%
14: Fringe Benefits	14	21	30	35	7.4%
PS subtotal	185	249	332	384	81.5%
20: Supplies	12	10	11	12	2.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	3	4	7	7	1.5%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	45	54	39	54	11.5%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	9	10	12	14	3.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	69	78	69	87	18.5%
Totals	254	327	401	471	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Intergovernmental Rel. (BP)					
11: Regular Pay	159	244	357	457	68.1%
12: Regular Pay - Other	88	81	0	0	0.0%
13: Additional Gross Pay	10	17	0	0	0.0%
14: Fringe Benefits	-3	30	37	46	6.9%
PS subtotal	254	372	394	503	75.0%
20: Supplies	9	9	10	14	2.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	11	13	11	14	2.1%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	1	74	87	107	15.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	16	17	22	33	4.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	37	113	130	168	25.0%
Totals	291	485	524	671	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dep. Mayor/City Admin. (AE)					
11: Regular Pay	624	769	929	979	85.3%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	25	1	1	0.1%
14: Fringe Benefits	69	74	93	97	8.4%
PS subtotal	693	868	1,023	1,077	93.6%
20: Supplies	8	9	9	9	0.8%
30a: Energy	0	0	0	0	0.0%
30b: Communications	21	27	32	32	2.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	129	7	22	22	1.9%
50: Subsidies/Transfers	-30	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	23	2	11	11	1.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	151	45	74	74	6.4%
Totals	844	913	1,097	1,151	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Personnel (BE)					
11: Regular Pay	9,015	10,135	11,044	11,877	81.4%
12: Regular Pay - Other	4	0	0	0	0.0%
13: Additional Gross Pay	21	410	18	34	0.2%
14: Fringe Benefits	915	1,034	1,104	1,184	8.1%
PS subtotal	9,955	11,579	12,166	13,095	89.8%
20: Supplies	67	88	90	104	0.7%
30a: Energy	0	0	0	0	0.0%
30b: Communications	99	177	157	158	1.1%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	610	762	872	979	6.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	77	176	281	248	1.7%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	853	1,203	1,400	1,489	10.2%
Totals	10,808	12,782	13,566	14,584	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Administrative Services (AS)					
11: Regular Pay	6,511	6,734	9,453	11,552	38.2%
12: Regular Pay - Other	636	756	956	1,222	4.0%
13: Additional Gross Pay	230	640	406	406	1.3%
14: Fringe Benefits	844	906	1,139	1,349	4.5%
PS subtotal	8,221	9,036	11,954	14,529	48.0%
20: Supplies	134	230	265	359	1.2%
30a: Energy	5,768	6,272	6,338	6,288	20.8%
30b: Communications	103	219	134	196	0.6%
30c: Building Rent	3,406	3,823	2,532	2,471	8.2%
40: Other Services/Charges	4,378	3,955	5,524	5,867	19.4%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	123	342	352	554	1.8%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	13,912	14,841	15,145	15,735	52.0%
Totals	22,133	23,877	27,099	30,264	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dep. Mayor Finance (AT)					
11: Regular Pay	0	115	179	189	90.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	4	0	0	0.0%
14: Fringe Benefits	0	11	19	19	9.0%
PS subtotal	0	130	198	208	99.0%
20: Supplies	0	1	1	1	0.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	1	1	0.5%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	1	2	2	1.0%
Totals	0	131	200	210	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Budget (BC)					
11: Regular Pay	1,154	1,284	1,375	1,504	77.0%
12: Regular Pay - Other	51	26	50	52	2.7%
13: Additional Gross Pay	9	62	8	8	0.4%
14: Fringe Benefits	120	125	132	146	7.5%
PS subtotal	1,334	1,497	1,565	1,710	87.5%
20: Supplies	17	12	12	12	0.6%
30a: Energy	0	0	0	0	0.0%
30b: Communications	32	41	32	36	1.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	57	130	68	156	8.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	105	0	35	40	2.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	211	183	147	244	12.5%
Totals	1,545	1,680	1,712	1,954	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Financial Management (BF)					
11: Regular Pay	7,252	6,892	7,893	8,181	46.7%
12: Regular Pay - Other	240	133	17	143	0.8%
13: Additional Gross Pay	94	353	169	176	1.0%
14: Fringe Benefits	776	768	803	835	4.8%
PS subtotal	8,362	8,146	8,882	9,335	53.3%
20: Supplies	255	325	725	525	3.0%
30a: Energy	339	445	355	370	2.1%
30b: Communications	391	444	557	613	3.5%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	3,223	2,635	3,350	3,524	20.1%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	1,083	3,698	3,147	3,157	18.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	5,291	7,547	8,134	8,189	46.7%
Totals	13,653	15,693	17,016	17,524	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Finance and Revenue (CA)					
11: Regular Pay	11,749	12,254	13,536	14,840	70.6%
12: Regular Pay - Other	896	692	603	591	2.8%
13: Additional Gross Pay	86	536	127	132	0.6%
14: Fringe Benefits	1,350	1,395	1,441	1,579	7.5%
PS subtotal	14,081	14,877	15,707	17,142	81.6%
20: Supplies	179	199	215	229	1.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	250	332	265	292	1.4%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	1,601	1,845	1,855	2,211	10.5%
50: Subsidies/Transfers	0	2	19	19	0.1%
60: Land	0	0	0	0	0.0%
70: Equipment	705	826	973	1,114	5.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	2,735	3,204	3,327	3,865	18.4%
Totals	16,816	18,081	19,034	21,007	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Elections and Ethics (DL)					
11: Regular Pay	1,006	1,162	842	916	38.4%
12: Regular Pay - Other	669	482	226	256	10.7%
13: Additional Gross Pay	70	104	35	36	1.5%
14: Fringe Benefits	126	139	81	95	4.0%
PS subtotal	1,871	1,887	1,184	1,303	54.6%
20: Supplies	86	57	70	70	2.9%
30a: Energy	0	0	0	0	0.0%
30b: Communications	34	56	67	55	2.3%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	733	565	667	754	31.6%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	144	364	176	203	8.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	997	1,042	980	1,082	45.4%
Totals	2,868	2,929	2,164	2,385	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Campaign Finance (CJ)					
11: Regular Pay	0	0	474	524	50.8%
12: Regular Pay - Other	0	0	226	232	22.5%
13: Additional Gross Pay	0	0	5	5	0.5%
14: Fringe Benefits	0	0	71	77	7.5%
PS subtotal	0	0	776	838	81.2%
20: Supplies	0	0	25	25	2.4%
30a: Energy	0	0	1	1	0.1%
30b: Communications	0	0	20	20	1.9%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	80	80	7.8%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	90	68	6.6%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	0	216	194	18.8%
Totals	0	0	992	1,032	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Pub. Emp. Relations Bd. (CG)					
11: Regular Pay	118	120	127	135	53.4%
12: Regular Pay - Other	11	18	0	0	0.0%
13: Additional Gross Pay	8	4	0	0	0.0%
14: Fringe Benefits	10	11	16	14	5.5%
PS subtotal	147	153	143	149	58.9%
20: Supplies	2	3	2	2	0.8%
30a: Energy	0	0	0	0	0.0%
30b: Communications	3	4	3	7	2.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	50	51	89	89	35.2%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	2	5	10	6	2.4%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	57	63	104	104	41.1%
Totals	204	216	247	253	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Employee Appeals (CH)					
11: Regular Pay	388	354	643	677	60.9%
12: Regular Pay - Other	91	264	215	224	20.1%
13: Additional Gross Pay	29	66	0	0	0.0%
14: Fringe Benefits	45	49	78	90	8.1%
PS subtotal	553	733	936	991	89.1%
20: Supplies	8	7	10	10	0.9%
30a: Energy	0	0	0	0	0.0%
30b: Communications	5	6	5	9	0.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	14	2	52	60	5.4%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	27	67	50	42	3.8%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	54	82	117	121	10.9%
Totals	607	815	1,053	1,112	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
D. C. Retirement BD. (DY)					
11: Regular Pay	91	161	229	229	32.7%
12: Regular Pay - Other	39	70	0	60	8.6%
13: Additional Gross Pay	0	4	0	0	0.0%
14: Fringe Benefits	7	15	30	30	4.3%
PS subtotal	137	250	259	319	45.6%
20: Supplies	0	7	12	12	1.7%
30a: Energy	0	0	0	0	0.0%
30b: Communications	12	12	9	9	1.3%
30c: Building Rent	0	15	69	69	9.9%
40: Other Services/Charges	351	338	324	264	37.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	45	27	27	3.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	363	417	441	381	54.4%
Totals	500	667	700	700	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Metro. Wash. COG (EA)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	285	298	316	335	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	285	298	316	335	100.0%
Totals	285	298	316	335	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Statehood Const.Conv.(CI)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	5	5	5.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	1	1	1.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	41	92	92	92.0%
50: Subsidies/Transfers	15	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	2	2	2.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	15	41	100	100	100.0%
Totals	15	41	100	100	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Commission on Baseball (WS)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	3	3	5.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	40	52	52	94.5%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	40	55	55	100.0%
Totals	0	40	55	55	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dep. Mayor/Econ. Dev. (ED)					
11: Regular Pay	0	80	139	320	45.1%
12: Regular Pay - Other	0	27	0	0	0.0%
13: Additional Gross Pay	0	7	0	0	0.0%
14: Fringe Benefits	0	18	14	32	4.5%
PS subtotal	0	132	153	352	49.6%
20: Supplies	0	3	3	3	0.4%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	12	3	4	0.6%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	126	340	340	47.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	29	11	11	1.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	170	357	358	50.4%
Totals	0	302	510	710	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Office of Planning (BD)					
11: Regular Pay	2,381	2,314	2,599	2,741	76.9%
12: Regular Pay - Other	7	37	112	112	3.1%
13: Additional Gross Pay	20	83	0	0	0.0%
14: Fringe Benefits	243	240	265	279	7.8%
PS subtotal	2,651	2,674	2,976	3,132	87.9%
20: Supplies	33	26	35	35	1.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	32	38	43	47	1.3%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	159	318	236	236	6.6%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	43	99	114	114	3.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	267	481	428	432	12.1%
Totals	2,918	3,155	3,404	3,564	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Housing & Community Dev. (DB					
11: Regular Pay	2,183	2,356	2,706	3,642	8.7%
12: Regular Pay - Other	5	5	0	0	0.0%
13: Additional Gross Pay	15	83	6	6	0.0%
14: Fringe Benefits	207	232	289	385	0.9%
PS subtotal	2,410	2,676	3,001	4,033	9.6%
20: Supplies	64	54	61	73	0.2%
30a: Energy	65	34	66	65	0.2%
30b: Communications	104	85	105	117	0.3%
30c: Building Rent	104	184	0	0	0.0%
40: Other Services/Charges	2,420	2,490	3,625	6,640	15.8%
50: Subsidies/Transfers	8,849	13,492	14,575	29,507	70.4%
60: Land	0	1,000	1,100	1,100	2.6%
70: Equipment	50	139	145	169	0.4%
80: Debt Service	0	0	235	235	0.6%
NPS subtotal	11,656	17,478	19,912	37,906	90.4%
Totals	14,066	20,154	22,913	41,939	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Employment Services (CF)					
11: Regular Pay	4,300	4,355	4,870	5,334	15.2%
12: Regular Pay - Other	267	452	99	55	0.2%
13: Additional Gross Pay	27	144	5	5	0.0%
14: Fringe Benefits	470	492	516	558	1.6%
PS subtotal	5,064	5,443	5,490	5,952	17.0%
20: Supplies	131	66	102	130	0.4%
30a: Energy	120	91	149	149	0.4%
30b: Communications	244	215	280	308	0.9%
30c: Building Rent	213	159	186	186	0.5%
40: Other Services/Charges	462	772	755	638	1.8%
50: Subsidies/Transfers	13,079	18,352	20,772	27,230	77.8%
60: Land	0	0	0	0	0.0%
70: Equipment	166	148	261	419	1.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	14,415	19,803	22,505	29,060	83.0%
Totals	19,479	25,246	27,995	35,012	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Bus. & Econ. Develop. (EN)					
11: Regular Pay	588	761	989	1,367	23.4%
12: Regular Pay - Other	61	60	86	48	0.8%
13: Additional Gross Pay	-1	26	0	0	0.0%
14: Fringe Benefits	85	84	108	141	2.4%
PS subtotal	733	931	1,183	1,556	26.7%
20: Supplies	24	27	34	38	0.7%
30a: Energy	0	0	0	0	0.0%
30b: Communications	37	42	34	38	0.7%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	352	496	4,032	4,160	71.4%
50: Subsidies/Transfers	0	0	4,000	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	35	39	30	38	0.7%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	448	604	8,130	4,274	73.3%
Totals	1,181	1,535	9,313	5,830	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Min. Bus. Opportunity (EM)					
11: Regular Pay	150	132	274	488	56.1%
12: Regular Pay - Other	30	75	73	73	8.4%
13: Additional Gross Pay	1	6	0	0	0.0%
14: Fringe Benefits	19	19	35	55	6.3%
PS subtotal	200	232	382	616	70.8%
20: Supplies	0	2	5	12	1.4%
30a: Energy	0	0	0	0	0.0%
30b: Communications	17	22	13	31	3.6%
30c: Building Rent	9	9	17	17	2.0%
40: Other Services/Charges	33	41	62	129	14.8%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	13	21	28	65	7.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	72	95	125	254	29.2%
Totals	272	327	507	870	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Housing Finance (DZ)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	497	505	505	588	24.6%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	70	50	50	58	2.4%
PS subtotal	567	555	555	646	27.0%
20: Supplies	9	10	10	10	0.4%
30a: Energy	7	0	0	0	0.0%
30b: Communications	10	8	8	10	0.4%
30c: Building Rent	108	97	97	113	4.7%
40: Other Services/Charges	315	158	176	211	8.8%
50: Subsidies/Transfers	736	835	1,234	1,350	56.5%
60: Land	0	0	0	0	0.0%
70: Equipment	27	20	20	50	2.1%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	1,212	1,128	1,545	1,744	73.0%
Totals	1,779	1,683	2,100	2,390	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Bd. of Appeals & Review (DK)					
11: Regular Pay	50	41	116	28	56.0%
12: Regular Pay - Other	86	15	0	0	0.0%
13: Additional Gross Pay	11	2	0	0	0.0%
14: Fringe Benefits	8	5	13	7	14.0%
PS subtotal	155	63	129	35	70.0%
20: Supplies	0	0	1	1	2.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	4	3	4	4	8.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	18	1	10	10	20.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	2	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	22	6	15	15	30.0%
Totals	177	69	144	50	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Bd. of Equal. & Review (DA)					
11: Regular Pay	0	26	25	45	28.3%
12: Regular Pay - Other	0	64	16	20	12.6%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	3	2	4	2.5%
PS subtotal	0	93	43	69	43.4%
20: Supplies	0	1	2	2	1.3%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	2	0	3	1.9%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	7	65	73	45.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	2	12	7.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	10	69	90	56.6%
Totals	0	103	112	159	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Consumer & Reg. Affairs (CR)					
11: Regular Pay	14,054	14,469	18,977	22,137	65.0%
12: Regular Pay - Other	285	807	578	1,206	3.5%
13: Additional Gross Pay	187	922	33	33	0.1%
14: Fringe Benefits	1,557	1,663	2,130	2,525	7.4%
PS subtotal	16,083	17,861	21,718	25,901	76.1%
20: Supplies	131	172	185	248	0.7%
30a: Energy	0	23	43	43	0.1%
30b: Communications	312	325	165	338	1.0%
30c: Building Rent	177	70	92	98	0.3%
40: Other Services/Charges	2,551	3,751	5,488	6,981	20.5%
50: Subsidies/Transfers	37	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	360	1,700	372	425	1.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	3,568	6,041	6,345	8,133	23.9%
Totals	19,651	23,902	28,063	34,034	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Public Service Comm. (DH)					
11: Regular Pay	1,304	1,460	2,107	2,521	75.2%
12: Regular Pay - Other	42	73	92	0	0.0%
13: Additional Gross Pay	15	49	0	0	0.0%
14: Fringe Benefits	128	145	208	239	7.1%
PS subtotal	1,489	1,727	2,407	2,760	82.4%
20: Supplies	25	29	44	45	1.3%
30a: Energy	0	0	0	0	0.0%
30b: Communications	41	32	56	91	2.7%
30c: Building Rent	138	150	146	157	4.7%
40: Other Services/Charges	63	74	275	130	3.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	58	41	107	168	5.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	325	326	628	591	17.6%
Totals	1,814	2,053	3,035	3,351	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
People's Counsel (DJ)					
11: Regular Pay	281	386	412	469	43.1%
12: Regular Pay - Other	0	69	155	160	14.7%
13: Additional Gross Pay	0	18	0	0	0.0%
14: Fringe Benefits	25	41	56	62	5.7%
PS subtotal	306	514	623	691	63.6%
20: Supplies	5	11	28	28	2.6%
30a: Energy	0	0	0	0	0.0%
30b: Communications	12	16	23	30	2.8%
30c: Building Rent	54	72	79	104	9.6%
40: Other Services/Charges	48	135	151	133	12.2%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	25	64	101	101	9.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	144	298	382	396	36.4%
Totals	450	812	1,005	1,087	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Healing Arts Licensure (DT)					
11: Regular Pay	141	158	259	276	59.5%
12: Regular Pay - Other	6	0	0	0	0.0%
13: Additional Gross Pay	4	11	1	1	0.2%
14: Fringe Benefits	14	16	27	29	6.3%
PS subtotal	165	185	287	306	65.9%
20: Supplies	4	3	7	7	1.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	5	5	4	5	1.1%
30c: Building Rent	41	41	41	59	12.7%
40: Other Services/Charges	44	91	86	83	17.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	19	26	9	4	0.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	113	166	147	158	34.1%
Totals	278	351	434	464	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Job Training Initiative (JT)					
11: Regular Pay	0	0	0	0	.....
12: Regular Pay - Other	0	0	0	0	.....
13: Additional Gross Pay	0	0	0	0	.....
14: Fringe Benefits	0	0	0	0	.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0	0	.....
30a: Energy	0	0	0	0	.....
30b: Communications	0	0	0	0	.....
30c: Building Rent	0	0	0	0	.....
40: Other Services/Charges	0	0	0	0	.....
50: Subsidies/Transfers	0	0	500	0	.....
60: Land	0	0	0	0	.....
70: Equipment	0	0	0	0	.....
80: Debt Service	0	0	0	0	.....
NPS subtotal	0	0	500	0	.....
Totals	0	0	500	0	.....

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Police Department (FA)					
11: Regular Pay	115,606	120,829	121,386	128,851	81.6%
12: Regular Pay - Other	1,624	1,578	1,500	1,560	1.0%
13: Additional Gross Pay	7,294	10,863	7,258	7,547	4.8%
14: Fringe Benefits	6,655	6,663	7,144	7,501	4.8%
PS subtotal	131,179	139,933	137,288	145,459	92.2%
20: Supplies	2,587	2,745	2,801	3,529	2.2%
30a: Energy	1,580	1,627	1,454	1,454	0.9%
30b: Communications	625	789	897	987	0.6%
30c: Building Rent	355	389	411	411	0.3%
40: Other Services/Charges	2,323	2,622	2,299	2,299	1.5%
50: Subsidies/Transfers	66	70	95	95	0.1%
60: Land	0	0	0	0	0.0%
70: Equipment	1,529	3,487	2,879	3,579	2.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	9,065	11,729	10,836	12,354	7.8%
Totals	140,244	151,662	148,124	157,813	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Fire Department (FB)					
11: Regular Pay	41,967	41,826	48,716	54,463	79.8%
12: Regular Pay - Other	35	43	16	56	0.1%
13: Additional Gross Pay	7,218	12,211	2,635	4,130	6.0%
14: Fringe Benefits	2,479	2,931	2,623	3,590	5.3%
PS subtotal	51,699	57,011	53,990	62,239	91.1%
20: Supplies	1,107	1,191	1,095	1,211	1.8%
30a: Energy	1,135	1,154	1,145	1,145	1.7%
30b: Communications	193	224	209	235	0.3%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	1,740	1,447	1,753	1,850	2.7%
50: Subsidies/Transfers	0	25	28	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	466	1,269	1,643	1,604	2.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	4,641	5,310	5,873	6,045	8.9%
Totals	56,340	62,321	59,863	68,284	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Police & Fire Retirement (FD					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	100,108	98,478	115,640	111,800	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	.....
NPS subtotal	100,108	98,478	115,640	111,800	100.0%
Totals	100,108	98,478	115,640	111,800	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Judges Retirement (FG)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	1,700	1,823	1,800	2,500	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	.....
NPS subtotal	1,700	1,823	1,800	2,500	100.0%
Totals	1,700	1,823	1,800	2,500	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Court of Appeals (FM)					
11: Regular Pay	2,248	2,184	2,566	2,713	72.2%
12: Regular Pay - Other	51	58	56	62	1.6%
13: Additional Gross Pay	24	65	16	16	0.4%
14: Fringe Benefits	166	166	189	200	5.3%
PS subtotal	2,489	2,473	2,827	2,991	79.6%
20: Supplies	28	33	31	33	0.9%
30a: Energy	0	0	0	0	0.0%
30b: Communications	39	74	25	27	0.7%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	308	372	376	420	11.2%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	136	229	306	287	7.6%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	511	708	738	767	20.4%
Totals	3,000	3,181	3,565	3,758	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Superior Court (FC)					
11: Regular Pay	23,964	25,528	28,389	30,583	70.0%
12: Regular Pay - Other	572	821	220	220	0.5%
13: Additional Gross Pay	91	788	129	149	0.3%
14: Fringe Benefits	2,323	2,464	2,591	2,804	6.4%
PS subtotal	26,950	29,601	31,329	33,756	77.2%
20: Supplies	257	391	379	429	1.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	413	585	425	478	1.1%
30c: Building Rent	74	63	100	117	0.3%
40: Other Services/Charges	4,873	6,233	7,266	7,710	17.6%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	1,074	1,193	1,213	1,216	2.8%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	6,691	8,465	9,383	9,950	22.8%
Totals	33,641	38,066	40,712	43,706	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Court System (FN)					
11: Regular Pay	1,944	1,870	2,256	2,418	15.1%
12: Regular Pay - Other	19	40	0	0	0.0%
13: Additional Gross Pay	10	62	0	0	0.0%
14: Fringe Benefits	191	184	208	225	1.4%
PS subtotal	2,164	2,156	2,464	2,643	16.5%
20: Supplies	13	64	16	18	0.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	8,295	10,995	12,985	13,292	82.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	63	121	72	75	0.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	8,371	11,180	13,073	13,385	83.5%
Totals	10,535	13,336	15,537	16,028	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Corporation Counsel (CB)					
11: Regular Pay	4,933	6,364	7,065	7,463	73.6%
12: Regular Pay - Other	212	456	561	592	5.8%
13: Additional Gross Pay	49	239	54	56	0.6%
14: Fringe Benefits	522	655	727	771	7.6%
PS subtotal	5,716	7,714	8,407	8,882	87.6%
20: Supplies	40	53	46	46	0.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	139	171	123	138	1.4%
30c: Building Rent	0	0	0	314	3.1%
40: Other Services/Charges	599	625	528	569	5.6%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	229	316	249	188	1.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	1,007	1,165	946	1,255	12.4%
Totals	6,723	8,879	9,353	10,137	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Settlements & Judgments (ZH)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	5,747	6,463	5,669	6,600	100.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	5,747	6,463	5,669	6,600	100.0%
Totals	5,747	6,463	5,669	6,600	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Public Defender Service (FE)					
11: Regular Pay	3,340	3,391	3,561	3,764	78.6%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	75	0	0	0.0%
14: Fringe Benefits	310	319	338	357	7.5%
PS subtotal	3,650	3,785	3,899	4,121	86.1%
20: Supplies	41	45	48	58	1.2%
30a: Energy	0	0	0	0	0.0%
30b: Communications	73	80	80	103	2.2%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	272	283	313	385	8.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	53	53	88	119	2.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	439	461	529	665	13.9%
Totals	4,089	4,246	4,428	4,786	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Pretrial Services (FF)					
11: Regular Pay	1,001	978	1,294	1,448	61.2%
12: Regular Pay - Other	39	29	85	85	3.6%
13: Additional Gross Pay	28	81	52	52	2.2%
14: Fringe Benefits	108	103	127	143	6.0%
PS subtotal	1,176	1,191	1,558	1,728	73.0%
20: Supplies	10	15	302	307	13.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	29	35	40	45	1.9%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	309	189	196	229	9.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	37	56	78	58	2.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	385	295	616	639	27.0%
Totals	1,561	1,486	2,174	2,367	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dept. of Corrections (FL)					
11: Regular Pay	50,848	57,323	60,304	70,149	47.5%
12: Regular Pay - Other	1,281	2,623	122	128	0.1%
13: Additional Gross Pay	7,116	11,725	5,475	6,591	4.5%
14: Fringe Benefits	6,340	7,279	7,340	8,784	5.9%
PS subtotal	65,585	78,950	73,241	85,652	58.0%
20: Supplies	10,058	14,509	14,160	15,630	10.6%
30a: Energy	6,037	6,191	6,495	6,411	4.3%
30b: Communications	833	883	963	1,109	0.8%
30c: Building Rent	56	76	93	181	0.1%
40: Other Services/Charges	3,727	5,087	4,208	4,871	3.3%
50: Subsidies/Transfers	22,313	28,673	36,641	31,135	21.1%
60: Land	887	0	0	0	0.0%
70: Equipment	2,580	2,190	2,151	2,741	1.9%
80: Debt Service	0	0	0	0	.....
NPS subtotal	46,491	57,609	64,711	62,078	42.0%
Totals	112,076	136,559	137,952	147,730	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED
APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Board of Parole (DD)					
11: Regular Pay	623	675	983	1,135	72.2%
12: Regular Pay - Other	7	0	0	0	0.0%
13: Additional Gross Pay	1	34	7	7	0.4%
14: Fringe Benefits	65	69	97	112	7.1%
PS subtotal	696	778	1,087	1,254	79.8%
20: Supplies	4	12	8	18	1.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	5	10	7	21	1.3%
30c: Building Rent	3	169	111	111	7.1%
40: Other Services/Charges	59	0	83	134	8.5%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	6	119	28	33	2.1%
80: Debt Service	0	0	0	0	.....
NPS subtotal	77	310	237	317	20.2%
Totals	773	1,088	1,324	1,571	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
National Guard (FK)					
11: Regular Pay	414	487	573	606	79.4%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	7	19	0	0	0.0%
14: Fringe Benefits	45	51	52	52	6.8%
PS subtotal	466	557	625	658	86.2%
20: Supplies	6	10	21	31	4.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	1	1	4	7	0.9%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	8	18	30	45	5.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	5	8	30	22	2.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	20	37	85	105	13.8%
Totals	486	594	710	763	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Emergency Preparedness (BN)					
11: Regular Pay	225	286	408	881	60.1%
12: Regular Pay - Other	23	52	0	0	0.0%
13: Additional Gross Pay	8	40	8	43	2.9%
14: Fringe Benefits	25	32	31	77	5.3%
PS subtotal	281	410	447	1,001	68.3%
20: Supplies	11	10	10	30	2.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	14	31	9	144	9.8%
30c: Building Rent	0	0	0	0	0.0%
40; Other Services/Charges	8	1	26	291	19.8%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	14	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	33	56	45	465	31.7%
Totals	314	466	492	1,466	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Judicial Disabilities (DQ)					
11: Regular Pay	37	34	55	59	50.9%
12: Regular Pay - Other	28	37	0	0	0.0%
13: Additional Gross Pay	0	1	0	0	0.0%
14: Fringe Benefits	7	7	7	8	6.9%
PS subtotal	72	79	62	67	57.8%
20: Supplies	1	1	1	1	0.9%
30a: Energy	0	0	0	0	0.0%
30b: Communications	2	2	1	1	0.9%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	10	26	46	46	39.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	1	6	1	1	0.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	14	35	49	49	42.2%
Totals	86	114	111	116	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Judicial Nomination (DV)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	14	18	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	14	18	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	9	17	37	37	100.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	9	17	37	37	100.0%
Totals	23	35	37	37	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Law Revision Comm. (DW)					
11: Regular Pay	333	327	342	109	49.5%
12: Regular Pay - Other	18	12	0	0	0.0%
13: Additional Gross Pay	0	10	0	0	0.0%
14: Fringe Benefits	33	32	34	11	5.0%
PS subtotal	384	381	376	120	54.5%
20: Supplies	15	9	11	7	3.2%
30a: Energy	0	0	0	0	0.0%
30b: Communications	5	8	5	5	2.3%
30c: Building Rent	50	49	48	55	25.0%
40: Other Services/Charges	12	15	22	23	10.5%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	27	24	24	10	4.5%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	109	105	110	100	45.5%
Totals	493	486	486	220	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Criminal Justice (BQ)					
11: Regular Pay	224	359	408	547	55.6%
12: Regular Pay - Other	1	3	61	0	0.0%
13: Additional Gross Pay	0	18	0	0	0.0%
14: Fringe Benefits	24	39	43	52	5.3%
PS subtotal	249	419	512	599	60.9%
20: Supplies	0	5	8	9	0.9%
30a: Energy	0	0	0	0	0.0%
30b: Communications	1	9	8	9	0.9%
30c: Building Rent	7	26	28	28	2.8%
40: Other Services/Charges	242	61	318	78	7.9%
50: Subsidies/Transfers	0	245	0	250	25.4%
60: Land	0	0	0	0	0.0%
70: Equipment	0	8	15	10	1.0%
80: Debt Service	0	0	0	0	.....
NPS subtotal	250	354	377	384	39.1%
Totals	499	773	889	983	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Public Schools (GA)					
11: Regular Pay	241,771	243,253	263,251	280,672	71.3%
12: Regular Pay - Other	18,952	23,373	25,710	30,979	7.9%
13: Additional Gross Pay	2,166	10,959	3,217	3,217	0.8%
14: Fringe Benefits	14,660	15,085	17,875	18,516	4.7%
PS subtotal	277,549	292,670	310,053	333,384	84.7%
20: Supplies	6,541	7,076	4,845	5,601	1.4%
30a: Energy	15,939	16,207	17,448	17,448	4.4%
30b: Communications	1,396	1,900	1,082	1,082	0.3%
30c: Building Rent	356	410	235	235	0.1%
40: Other Services/Charges	10,043	11,339	13,673	14,673	3.7%
50: Subsidies/Transfers	6,741	6,624	8,607	16,620	4.2%
60: Land	0	0	0	0	0.0%
70: Equipment	7,766	9,409	4,207	4,763	1.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	48,782	52,965	50,097	60,422	15.3%
Totals	326,331	345,635	360,150	393,806	100.0%
Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Teachers' Retirement (GX)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	71,662	64,194	70,905	58,800	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	71,662	64,194	70,905	58,800	100.0%
Totals	71,662	64,194	70,905	58,800	100.0%
Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
University of D. C. (GF)					
11: Regular Pay	36,323	37,443	42,163	43,286	62.7%
12: Regular Pay - Other	4,046	4,495	1,886	1,900	2.8%
13: Additional Gross Pay	480	1,724	157	152	0.2%
14: Fringe Benefits	8,210	8,390	8,342	8,556	12.4%
PS subtotal	49,059	52,052	52,548	53,894	78.1%
20: Supplies	656	532	839	842	1.2%
30a: Energy	2,109	2,022	2,410	2,410	3.5%
30b: Communications	998	1,009	1,063	1,063	1.5%
30c: Building Rent	4,053	4,489	4,665	4,217	6.1%
40: Other Services/Charges	1,828	2,069	2,749	2,715	3.9%
50: Subsidies/Transfers	1,193	1,467	1,647	2,330	3.4%
60: Land	0	0	0	0	0.0%
70: Equipment	946	1,293	1,794	1,544	2.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	11,783	12,881	15,167	15,121	21.9%
Totals	60,842	64,933	67,715	69,015	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Educ. Inst. Lic. Comm. (GH)					
11: Regular Pay	62	34	78	100	42.2%
12: Regular Pay - Other	36	39	15	15	6.3%
13: Additional Gross Pay	10	15	0	0	0.0%
14: Fringe Benefits	11	8	7	12	5.1%
PS subtotal	119	96	100	127	53.6%
20: Supplies	2	3	4	4	1.7%
30a: Energy	0	0	0	0	0.0%
30b: Communications	4	5	3	3	1.3%
30c: Building Rent	33	36	36	36	15.2%
40: Other Services/Charges	37	46	46	46	19.4%
50: Subsidies/Transfers	1	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	22	18	21	21	8.9%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	99	108	110	110	46.4%
Totals	218	204	210	237	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Public Library (CE)					
11: Regular Pay	8,158	8,289	8,979	9,867	59.3%
12: Regular Pay - Other	109	121	177	249	1.5%
13: Additional Gross Pay	165	464	228	239	1.4%
14: Fringe Benefits	951	965	1,065	1,172	7.0%
PS subtotal	9,383	9,839	10,449	11,527	69.2%
20: Supplies	119	148	172	190	1.1%
30a: Energy	1,423	1,498	1,548	1,537	9.2%
30b: Communications	153	206	249	274	1.6%
30c: Building Rent	4	3	4	4	0.0%
40: Other Services/Charges	433	877	750	809	4.9%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	943	1,644	1,830	2,305	13.8%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	3,075	4,376	4,553	5,119	30.8%
Totals	12,458	14,215	15,002	16,646	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Arts & Humanities (BX)					
11: Regular Pay	105	191	226	317	13.4%
12: Regular Pay - Other	23	36	0	0	0.0%
13: Additional Gross Pay	5	6	0	0	0.0%
14: Fringe Benefits	14	23	23	31	1.3%
PS subtotal	147	256	249	348	14.7%
20: Supplies	5	6	11	12	0.5%
30a: Energy	0	0	0	0	0.0%
30b: Communications	11	12	17	19	0.8%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	79	119	45	45	1.9%
50: Subsidies/Transfers	631	799	1,343	1,934	81.7%
60: Land	0	0	0	0	0.0%
70: Equipment	7	6	8	10	0.4%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	733	942	1,424	2,020	85.3%
Totals	880	1,198	1,673	2,368	100.0%

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dept. of Human Services (JA)					
11: Regular Pay	78,255	81,544	93,986	98,568	18.2%
12: Regular Pay - Other	3,824	5,485	7,126	7,554	1.4%
13: Additional Gross Pay	5,499	8,525	2,815	2,815	0.5%
14: Fringe Benefits	9,096	10,353	10,245	10,786	2.0%
PS subtotal	96,674	105,907	114,172	119,723	22.1%
20: Supplies	3,675	5,022	5,706	5,082	0.9%
30a: Energy	5,805	5,117	5,436	4,793	0.9%
30b: Communications	2,146	2,515	1,860	2,579	0.5%
30c: Building Rent	7,961	8,977	7,803	8,117	1.5%
40: Other Services/Charges	13,092	28,610	33,808	42,732	7.9%
50: Subsidies/Transfers	238,351	253,429	339,068	354,966	65.5%
60: Land	0	0	0	0	0.0%
70: Equipment	905	2,420	3,723	3,547	0.7%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	271,935	306,090	397,404	421,816	77.9%
Totals	368,609	411,997	511,576	541,539	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dept. of Recreation (HA)					
11: Regular Pay	11,250	11,373	12,900	14,151	51.2%
12: Regular Pay - Other	4,879	5,184	5,474	5,812	21.0%
13: Additional Gross Pay	303	755	417	433	1.6%
14: Fringe Benefits	1,622	1,647	1,773	1,924	7.0%
PS subtotal	18,054	18,959	20,564	22,320	80.7%
20: Supplies	782	836	985	1,108	4.0%
30a: Energy	1,124	1,092	1,208	1,133	4.1%
30b: Communications	188	272	247	277	1.0%
30c: Building Rent	143	152	187	187	0.7%
40: Other Services/Charges	1,010	1,413	1,522	1,882	6.8%
50: Subsidies/Transfers	16	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	375	969	699	756	2.7%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	3,638	4,734	4,848	5,343	19.3%
Totals	21,692	23,693	25,412	27,663	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Office on Aging (BY)					
11: Regular Pay	308	309	395	518	5.0%
12: Regular Pay - Other	2	3	0	0	0.0%
13: Additional Gross Pay	4	13	0	0	0.0%
14: Fringe Benefits	32	32	38	52	0.5%
PS subtotal	346	357	433	570	5.5%
20: Supplies	5	14	14	14	0.1%
30a: Energy	0	0	0	0	0.0%
30b: Communications	15	25	24	27	0.3%
30c: Building Rent	53	47	124	124	1.2%
40: Other Services/Charges	4,463	5,569	6,771	9,316	90.0%
50: Subsidies/Transfers	275	208	275	275	2.7%
60: Land	0	0	0	0	0.0%
70: Equipment	26	20	24	24	0.2%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	4,837	5,883	7,232	9,780	94.5%
Totals	5,183	6,240	7,665	10,350	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
D. C. General Hospital (JC)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	43,100	45,500	48,350	50,930	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	43,100	45,500	48,350	50,930	100.0%
Totals	43,100	45,500	48,350	50,930	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
St. Elizabeths Hospital (JE)					
11: Regular Pay	0	0	0	0	.....
12: Regular Pay - Other	0	0	0	0	.....
13: Additional Gross Pay	0	0	0	0	.....
14: Fringe Benefits	0	0	0	0	.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0	0	.....
30a: Energy	0	0	0	0	.....
30b: Communications	0	0	0	0	.....
30c: Building Rent	0	0	0	0	.....
40: Other Services/Charges	0	0	0	0	.....
50: Subsidies/Transfers	35,149	55,207	0	0	.....
60: Land	0	0	0	0	.....
70: Equipment	0	0	0	0	.....
80: Debt Service	0	0	0	0	.....
NPS subtotal	35,149	55,207	0	0	.....
Totals	35,149	55,207	0	0	.....

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Unemployment Comp. (BH)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	6,752	3,162	5,207	3,207	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	6,752	3,162	5,207	3,207	100.0%
Totals	6,752	3,162	5,207	3,207	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Disability Comp. (BG)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	52	52	53	53	0.4%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	3,165	4,086	3,150	3,750	27.2%
50: Subsidies/Transfers	9,106	10,268	7,797	9,997	72.4%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	12,323	14,406	11,000	13,800	100.0%
Totals	12,323	14,406	11,000	13,800	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Office of Human Rights (BR)					
11: Regular Pay	956	889	1,045	1,130	76.7%
12: Regular Pay - Other	65	80	39	39	2.6%
13: Additional Gross Pay	6	47	5	5	0.3%
14: Fringe Benefits	82	96	103	120	8.1%
PS subtotal	1,109	1,112	1,192	1,294	87.8%
20: Supplies	17	21	17	21	1.4%
30a: Energy	0	0	0	0	0.0%
30b: Communications	30	25	35	39	2.6%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	32	92	75	84	5.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	25	73	30	35	2.4%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	104	211	157	179	12.2%
Totals	1,213	1,323	1,349	1,473	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Latino Affairs (BZ)					
11: Regular Pay	186	186	234	247	12.9%
12: Regular Pay - Other	0	19	43	161	8.4%
13: Additional Gross Pay	3	8	0	0	0.0%
14: Fringe Benefits	19	20	28	43	2.3%
PS subtotal	208	233	305	451	23.6%
20: Supplies	6	15	9	30	1.6%
30a: Energy	5	3	4	0	0.0%
30b: Communications	4	6	6	12	0.6%
30c: Building Rent	24	26	29	0	0.0%
40: Other Services/Charges	14	51	22	1,328	69.5%
50: Subsidies/Transfers	16	8	0	50	2.6%
60: Land	0	0	0	0	0.0%
70: Equipment	4	17	10	40	2.1%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	73	126	80	1,460	76.4%
Totals	281	359	385	1,911	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Commission for Women (DP)					
11: Regular Pay	99	92	110	162	79.4%
12: Regular Pay - Other	2	0	43	0	0.0%
13: Additional Gross Pay	0	4	0	0	0.0%
14: Fringe Benefits	9	9	14	15	7.4%
PS subtotal	110	105	167	177	86.8%
20: Supplies	2	3	3	4	2.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	2	3	3	4	2.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	8	25	15	15	7.4%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	3	1	3	4	2.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	15	32	24	27	13.2%
Totals	125	137	191	204	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
D.C. Energy Office (JF)					
11: Regular Pay	0	0	305	321	8.2%
12: Regular Pay - Other	208	311	0	58	1.5%
13: Additional Gross Pay	0	7	0	0	0.0%
14: Fringe Benefits	23	32	32	41	1.0%
PS subtotal	231	350	337	420	10.7%
20: Supplies	4	6	8	10	0.3%
30a: Energy	0	0	1	1	0.0%
30b: Communications	11	19	9	11	0.3%
30c: Building Rent	37	0	0	0	0.0%
40: Other Services/Charges	127	200	119	124	3.2%
50: Subsidies/Transfers	2,421	2,242	2,725	3,347	85.3%
60: Land	0	0	0	0	0.0%
70: Equipment	6	91	13	11	0.3%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	2,606	2,558	2,875	3,504	89.3%
Totals	2,837	2,908	3,212	3,924	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Dept. of Public Works (PW)					
11: Regular Pay	37,349	38,077	43,061	45,291	44.4%
12: Regular Pay - Other	757	1,077	779	2,479	2.4%
13: Additional Gross Pay	1,505	3,317	1,056	1,319	1.3%
14: Fringe Benefits	4,545	4,679	4,968	5,404	5.3%
PS subtotal	44,156	47,150	49,864	54,493	53.4%
20: Supplies	3,608	2,626	3,409	4,419	4.3%
30a: Energy	13,605	13,286	6,547	6,313	6.2%
30b: Communications	659	888	663	649	0.6%
30c: Building Rent	291	489	432	638	0.6%
40: Other Services/Charges	14,574	22,996	25,556	28,354	27.8%
50: Subsidies/Transfers	0	218	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	3,352	5,485	6,680	7,146	7.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	36,089	45,988	43,287	47,519	46.6%
Totals	80,245	93,138	93,151	102,012	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
WMATC ((KC)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	76	87	90	86	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	76	87	90	86	100.0%
Totals	76	87	90	86	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
WMATA (KE)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	85,121	94,688	96,500	98,500	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	85,121	94,688	96,500	98,500	100.0%
Totals	85,121	94,688	96,500	98,500	100.0%

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
School Transit Subsidy (KD)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	75	90	90	2.2%
50: Subsidies/Transfers	3,802	3,850	3,910	4,060	97.8%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	3,802	3,925	4,000	4,150	100.0%
Totals	3,802	3,925	4,000	4,150	100.0%

APPENDIX F

Table F-1
FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Convention Center Fund (ER)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	6,072	6,930	8,371	6,261	100.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	6,072	6,930	8,371	6,261	100.0%
Totals	6,072	6,930	8,371	6,261	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Loans and Interest (DS)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	158,735	189,090	198,409	204,514	100.0%
NPS subtotal	158,735	189,090	198,409	204,514	100.0%
Totals	158,735	189,090	198,409	204,514	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Repay Gen Fund Deficit (ZD)*					
11: Regular Pay	0	0	0	0	.....
12: Regular Pay - Other	0	0	0	0	.....
13: Additional Gross Pay	0	0	0	0	.....
14: Fringe Benefits	0	0	0	0	.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0	0	.....
30a: Energy	0	0	0	0	.....
30b: Communications	0	0	0	0	.....
30c: Building Rent	0	0	0	0	.....
40: Other Services/Charges	0	0	0	0	.....
50: Subsidies/Transfers	0	0	0	0	.....
60: Land	0	0	0	0	.....
70: Equipment	0	0	0	0	.....
80: Debt Service:					.....
Budgeted	5,000	10,100	5,000	0	.....
Unbudgeted	12,500	14,800	15,000	0	.....
NPS subtotal	17,500	24,900	20,000	0	.....
Totals	30,000	39,700	35,000	0	.....

* This is not an expenditure, but rather the difference between revenues and expenditures at year-end. It is shown here for informational purposes.

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Short-Term Borrowings (ZA)					
11: Regular Pay	0	0	0	0	0.0%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	0	0	0	0	0.0%
14: Fringe Benefits	0	0	0	0	0.0%
PS subtotal	0	0	0	0	0.0%
20: Supplies	0	0	0	0	0.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	0	0	0	0.0%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	0	0	0	0	0.0%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	0	0	0	0.0%
80: Debt Service	3,750	3,750	3,750	3,750	100.0%
NPS subtotal	3,750	3,750	3,750	3,750	100.0%
Totals	3,750	3,750	3,750	3,750	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Adjustments					
11: Regular Pay	0	0	0		.....
12: Regular Pay - Other	0	0	0		.....
13: Additional Gross Pay	0	0	0		.....
14: Fringe Benefits	0	0	0		.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0		.....
30a: Energy	0	-65	0		.....
30b: Communications	0	0	0		.....
30c: Building Rent	0	0	0		.....
40: Other Services/Charges	0	0	0		.....
50: Subsidies/Transfers	0	0	0		.....
60: Land	0	0	0		.....
70: Equipment	0	0	0		.....
80: Debt Service	0	0	0		.....
NPS subtotal	0	-65	0	0	.....
Totals	0	-65	0	0	.....

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Inaugural Expenses (SB)					
11: Regular Pay	0	0	0	0	.....
12: Regular Pay - Other	0	0	0	0	.....
13: Additional Gross Pay	0	0	0	0	.....
14: Fringe Benefits	0	0	0	0	.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0	0	.....
30a: Energy	0	0	0	0	.....
30b: Communications	0	0	0	0	.....
30c: Building Rent	0	0	0	0	.....
40: Other Services/Charges	0	0	0	0	.....
50: Subsidies/Transfers	0	1,975	0	0	.....
60: Land	0	0	0	0	.....
70: Equipment	0	0	0	0	.....
80: Debt Service	0	0	0	0	.....
NPS subtotal	0	1,975	0	0	.....
Totals	0	1,975	0	0	.....

APPENDIX F

Table F-1

FY 1984-1985 ACTUALS, FY 1986 BUDGET, AND FY 1987 PROPOSED APPROPRIATION BY AGENCY AND OBJECT CLASS

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Water & Sewer Utility (PW)					
11: Regular Pay	21,824	23,341	31,597	34,041	21.2%
12: Regular Pay - Other	468	652	29	202	0.1%
13: Additional Gross Pay	3,487	4,501	2,964	3,162	2.0%
14: Fringe Benefits	2,640	2,788	3,887	4,205	2.6%
PS subtotal	28,419	31,282	38,477	41,610	25.9%
20: Supplies	15,058	16,295	27,678	24,444	15.2%
30a: Energy	11,224	12,251	11,426	12,521	7.8%
30b: Communications	112	510	317	317	0.2%
30c: Building Rent	17	17	32	32	0.0%
40: Other Services/Charges	29,285	34,147	34,765	43,051	26.8%
50: Subsidies/Transfers	225	41	192	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	1,509	4,276	4,131	5,838	3.6%
80: Debt Service	0	28,186	31,065	32,834	20.4%
OTPS subtotal	57,430	95,723	109,606	119,037	74.1%
Totals	85,849	127,005	148,083	160,647	100.0%
Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Washington Aqueduct (LB)					
11: Regular Pay	5,678	5,664	6,212	6,614	40.8%
12: Regular Pay - Other	0	0	0	0	0.0%
13: Additional Gross Pay	128	150	142	151	0.9%
14: Fringe Benefits	686	693	820	874	5.4%
PS subtotal	6,492	6,507	7,174	7,639	47.1%
20: Supplies	2,345	1,724	2,395	2,695	16.6%
30a: Energy	3,610	4,164	4,260	4,500	27.7%
30b: Communications	65	75	90	99	0.6%
30c: Building Rent	0	0	0	0	0.0%
40: Other Services/Charges	877	836	810	1,121	6.9%
50: Subsidies/Transfers	0	230	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	153	163	175	175	1.1%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	7,050	7,192	7,730	8,590	52.9%
Totals	13,542	13,699	14,904	16,229	100.0%
Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Debt Service (LD)					
11: Regular Pay	0	0	0	0	.....
12: Regular Pay - Other	0	0	0	0	.....
13: Additional Gross Pay	0	0	0	0	.....
14: Fringe Benefits	0	0	0	0	.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0	0	.....
30a: Energy	0	0	0	0	.....
30b: Communications	0	0	0	0	.....
30c: Building Rent	0	0	0	0	.....
40: Other Services/Charges	0	0	0	0	.....
50: Subsidies/Transfers	0	0	0	0	.....
60: Land	0	0	0	0	.....
70: Equipment	0	0	0	0	.....
80: Debt Service	19,898	0	0	0	.....
NPS subtotal	19,898	0	0	0	.....
Totals	19,898	0	0	0	.....

FY 1987 OPERATING BUDGET

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Professional Fees Adjustment					
11: Regular Pay	0	0	0		.....
12: Regular Pay - Other	0	0	0		.....
13: Additional Gross Pay	0	0	0		.....
14: Fringe Benefits	0	0	0		.....
PS subtotal	0	0	0	0	.....
20: Supplies	0	0	0		.....
30a: Energy	0	0	0		.....
30b: Communications	0	0	0		.....
30c: Building Rent	0	0	0		.....
40: Other Services/Charges	0	-3,511	0		.....
50: Subsidies/Transfers	0	0	0		.....
60: Land	0	0	0		.....
70: Equipment	0	0	0		.....
80: Debt Service	0	0	0		.....
NPS subtotal	0	-3,511	0	0	.....
Totals	0	-3,511	0	0	.....

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Lottery Enterprise Fund (DC)					
11: Regular Pay	1,095	1,460	2,387	2,593	47.5%
12: Regular Pay - Other	400	230	116	312	5.7%
13: Additional Gross Pay	26	175	0	0	0.0%
14: Fringe Benefits	136	168	247	290	5.3%
PS subtotal	1,657	2,033	2,750	3,195	58.5%
20: Supplies	27	30	45	55	1.0%
30a: Energy	43	15	43	60	1.1%
30b: Communications	77	154	80	150	2.7%
30c: Building Rent	317	312	400	900	16.5%
40: Other Services/Charges	485	566	708	858	15.7%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	77	418	125	240	4.4%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	1,026	1,495	1,401	2,263	41.5%
Totals	2,683	3,528	4,151	5,458	100.0%

Agency/Object Class	Actual FY 1984	Actual FY 1985	Approved FY 1986	Proposed FY 1987	Avg % of Agency
Cable Television (CT)					
11: Regular Pay	0	133	124	135	54.0%
12: Regular Pay - Other	0	12	0	0	0.0%
13: Additional Gross Pay	0	5	0	0	0.0%
14: Fringe Benefits	0	13	12	13	5.2%
PS subtotal	0	163	136	148	59.2%
20: Supplies	0	1	10	10	4.0%
30a: Energy	0	0	0	0	0.0%
30b: Communications	0	6	5	6	2.4%
30c: Building Rent	0	15	15	15	6.0%
40: Other Services/Charges	0	41	72	59	23.6%
50: Subsidies/Transfers	0	0	0	0	0.0%
60: Land	0	0	0	0	0.0%
70: Equipment	0	15	12	12	4.8%
80: Debt Service	0	0	0	0	0.0%
NPS subtotal	0	78	114	102	40.8%
Totals	0	241	250	250	100.0%

Table G-1

TOTAL PERSONAL INCOME TRENDS 1980-1985 ($ Millions)

	1980	1981	1982	1983	1984	1985II
Total Income ($ Millions)						
Washington, DC	7,773	8,590	9,114	9,691	10,658	11,297
Annual Rate of Growth		10.1	6.1	36.3	10.0	6.0
United States	2,156,715	2,420,098	2,575,759	2,735,829	3,020,259	3,190,683
Annual Rate of Growth		12.2	6.4	6.1	10.4	5.6
Maryland	43,778	49,043	52,521	57,083	62,906	67,235
Annual Rate of Growth		11.9	6.7	6.7	10.2	6.9
Virginia	50,674	57,579	62,375	67,715	74,694	79,881
Annual Rate of Growth		13.7	8.5	8.0	10.3	6.9

Source: U.S. Bureau of Economic Analysis. Personal Income by Detailed Source, August 1985, except for 1985II data from Quarterly Personal Income by Major Source and Earnings by Industry, October 1985.

Table G-2
PER CAPITA INCOME TRENDS

	1980	1981	1982	1983	1984
District of Columbia	12,210	13,585	14,562	15,545	17,113
United States	9,464	10,544	11,113	11,690	12,789
Maryland	10,365	11,519	12,299	13,279	14,464
Virginia	9,446	10,591	11,371	12,188	13,254

Source: U.S. Bureau of Economic Analysis. Per Capita Personal Income by States and Regions, August 1984.

Table G-3
DISTRICT INCOME BY SOURCE ($ Millions)

	1980	1981	1982	1983	1984	1985II
Total Personal Income	7,773	8,590	9,114	9,691	10,658	11,297
Net Earnings (Total Personal Income less adjustments/or Residence and Social Security Contributions	4,729	5,120	5,366	5,832	6,469	6,931
Dividends, Interest, and Rent	1,342	1,577	1,767	1,843	2,113	2,214
Transfers	1,702	1,893	1,981	2,016	2,076	2,152

Source: U.S. Bureau of Economic Analysis. Personal Income by Detailed Source, August 1985, and 1985II data from Quarterly Personal Income by Major Source and Earnings by Industry, October 1985.

Table G-4

TOTAL WAGES AND SALARIES BY PLACE OF WORK

	District		United States	
	Total ($ Millions)	% Total	Total ($ Millions)	% of Total
Farming	0	0	12,556	0.7
Agriculture,Fishing,Forestry	152.2	0.9	6,887	0.4
Mining	4.1	0.0.	29,079	1.6
Construction	252.6	1.6	90,780	5.0
Manufacturing	418.0	2.6	437,737	29.2
Transportation	270.7	4.7	131,374	7.3
Wholesale	648.7	1.7	126,895	7.0
Retail	825.7	4.0	178,154	9.8
Fire	4,655.1	5.2	121,057	6.7
Services	6,386.4	29.0	337,552	18.6
Federal Civilian	450.5	39.8	75,192	4.2
Federal Military	1,219.3	2.8	36,825	2.0
State and Local Gov't	648.7	7.6	226,072	12.5
Total	16,030.0	100.0	1,810,160	100.0

Source: U.S. Bureau of Economic Analysis. Personal Income by Detailed Source, August 1985.

Table G-5
CONSUMER PRICE INDEX (CPI-U) FOR THE WASHINGTON METROPOLITAN AREA

	1970	1975	1980	1981	1982	1983	1984	Nov. 84	Nov. 85
All Items--U.S. Average (1967=100)	116.3	161.2	246.8	272.4	289.1	298.4	311.1	315.3	326.6
Annual % Change	5.9	9.1	13.5	10.4	6.1	3.2	4.3		3.6
All Items--Washington SMSA SMSA (1967=100)	117.6	161.6	244.7	267.3	281.9	294.7	308.9	315.1	326.9
Annual % Change	5.8	7.7	11.8	9.2	5.5	4.5	4.8		3.7
Electricity--Washington SMSA (1967=100)	N/A	184.2	255.0	272.8	295.6	308.7	309.4	302.6	301.0
Annual % Change	N/A	8.0	10.2	7.0	8.4	4.4	0.2		-0.5
Fuel Oil--Washington SMSA(1978=100)	N/A	N/A	200.4	240.2	233.3	217.7	224.1	218.6	221.6
Annual % Change			39.4	19.9	-2.9	-9.4	2.9		1.4
Utility (piped) Gas Washington SMSA Area (1967=100)	N/A	173.7	324.6	376.6	465.1	544.3	539.4	565.0	221.6
Annual % Change		22.5	12.6	16.0	23.5	17.0	1.1		1.4
Gasoline (unleaded reg) Washington SMSA (1976=100)	N/A	N/A	204.3	228.9	215.7	213.0	209.5	205.6	212.2
Annual % Change			40.7	12.0	-5.8	-1.5	1.6		3.31
Medical Care Services Washington SMSA (1967=100)	127.0	179.5	274.8	296.6	335.4	375.8	399.3	409.0	436.4
Annual % Change	7.7	11.4	8.7	7.9	13.1	12.0	6.25	6.7	
Telephone Prices--U.S. City Average (1967=100)	102.5	125.3	135.7	147.7	162.8	173.3	187.8	191.1	199.5
	1.3	3.2	2.5	8.8	10.2	6.4	8.4		4.4

Source: U.S. Bureau of Labor Statistics

Table G-6

DISTRICT EMPLOYMENT BY PLACE OF RESIDENCE, 1983-1985

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Employment (000's)													
1983	253.3	258.9	268.3	278.7	286.0	296.6	296.9	214.9	289.3	288.4	290.0	290.7	282.0
1984	281.4	282.0	283.7	286.1	288.5	291.6	308.0	307.9	291.9	294.2	294.2	294.5	292.0
1985	289.6	288.4	289.4	287.7	289.6	292.6	310.3	309.7	292.5	295.3	296.8	297.9	295.0
Labor Force (000's)													
1983	293.3	298.9	308.7	318.3	323.7	327.7	335.1	333.3	324	321.7	322.7	323.7	320.0
1984	312.5	312.6	313.9	314.2	316.4	320.2	339.9	338.8	320.0	321.8	320.9	320.8	321.0
1985	317.7	316.1	317.6	314.0	315.6	319.7	338.9	338.1	318.8	321.3	322.6	323.7	322.0
Unemployment (000's)													
1983	39.9	40.1	40.4	39.6	37.7	37.0	38.5	38.5	34.7	33.3	32.7	33.0	37.0
1984	31.2	30.7	30.2	28.2	27.9	28.6	31.8	30.9	28.1	27.6	26.7	26.3	29.0
1985	28.1	27.7	28.2	26.3	26.0	26.7	28.6	28.4	26.3	26.0	25.8	25.9	27.0
Unemployment Rate, (%)													
1983	13.6	13.4	13.1	12.4	11.6	11.0	11.5	11.5	10.7	10.3	10.1	10.2	11.7
1984	10.0	9.8	9.6	9.0	8.8	8.9	9.4	9.1	8.8	8.6	8.3	8.2	9.0
1985	8.9	8.8	8.9	8.4	8.2	8.4	8.4	8.4	8.2	8.1	8.0	8.0	8.4
Unemployment Rate, Washington SMSA, (%)													
1983	6.4	6.4	6.0	5.6	5.2	5.2	5.2	5.4	7.6	7.6	7.5	4.4	5.3
1984	4.8	4.5	4.2	4.0	4.0	4.3	4.3	4.0	3.9	4.0	3.7	3.9	4.2
1985	4.5	4.0	3.7	3.7	3.8	4.1	4.1	4.0	4.0	3.7	3.9	3.7	3.9
Unemployment Rate, United States, (%)													
1983	10.2	10.2	10.1	10.1	10.0	9.8	9.3	9.4	9.1	8.8	8.3	8.1	9.5
1984	7.9	7.8	7.8	7.8	7.5	7.2	7.5	7.5	7.4	7.3	7.1	7.1	7.5
1985	7.4	7.3	7.3	7.3	7.3	7.3	7.3	7.1	7.1	7.1	7.0	6.9	6.7

Source: D.C. Department of Employment Services.

Table G-7
DISTRICT EMPLOYMENT BY PLACE OF WORK ($ Thousands)

	Aug. 1984	Aug. 1985	Change	% Change
Total	625.7	641.3	15.6	2.5
Private Sector	355.9	365.0	9.1	2.6
Manufacturing	14.6	14.8	0.2	2.4
Mining	0.1	0.1	0	0
Construction	10.9	11.8	0.8	8.3
Transportation, Communications, & Public Utilities	26.3	26.9	0.6	2.3
Wholesale Trade	9.9	9.8	-0.1	-1.0
Retail Trade	53.8	55.2	1.4	2.6
Finance, Insurance, & Real Estate	35.9	36.4	0.5	1.4
Services	204.4	210.0	5.6	2.7
Government	269.8	276.3	6.5	2.4
Federal Government	208.9	211.4	2.5	1.4
State & Local Government	55.8	59.8	4.0	6.6

Source: D.C. Department of Employment Services

Table G-8
GENERAL FUND REVENUES, FY 1982 - FY 1986 ($ Thousands)

						Percent Change			
Revenue Type	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986*	FY 82-83	FY 83-84	FY 84-85	FY 85-86
Real Prop. Tax	297,881	335,293	359,411	407,289	432,700	12.6%	7.2%	13.3%	6.2%
Pers. Prop. Tax	27,240	32,902	36,254	43,496	45,700	20.8%	10.2%	20.0%	5.1%
Vault Space	0	0	1,784	4,312	4,200	N.A.	N.A.	141.7%	-2.6%
Total, Prop Tax	325,121	368,195	397,449	455,097	482,600	13.2%	7.9%	14.5%	6.0%
Sales & Use Tax	248,876	271,852	296,956	331,735	365,600	9.2%	9.2%	11.7%	10.2%
Alcoholic Bev.	7,504	7,513	7,234	7,203	7,200	0.1%	-3.7%	-0.4%	0.0%
Cigarette Tax	10,393	9,683	9,712	9,516	9,500	-6.8%	0.3%	-2.0%	-0.2%
Hotel Occ. Tax	3,236	4,545	4,572	5,949	6,100	40.5%	0.6%	30.1%	2.5%
MV Fuel Tax	21,763	22,750	25,309	25,254	25,600	4.5%	11.2%	-0.2%	1.4%
MV Excise Tax	11,150	15,226	21,804	23,086	24,400	36.6%	43.2%	5.9%	5.7%
Total, Sales	302,922	331,569	365,587	402,743	438,400	9.5%	10.3%	10.2%	8.9%
Public Utilities	65,482	73,700	76,232	75,739	80,800	12.6%	3.4%	-0.6%	6.7%
Insurance Tax	16,046	15,909	18,029	21,055	21,100	-0.9%	13.3%	16.8%	0.2%
Financial Insttns	18,972	17,419	4,188	-5,349	0	-8.2%	-76.0%	-227.7%	-100.0%
Total, Gr.Recs.	100,500	107,028	98,449	91,445	101,900	6.5%	-8.0%	-7.1%	11.4%
Indiv. Income	337,833	352,812	386,635	417,509	451,400	4.4%	9.6%	8.0%	8.1%
Corp. Franchise	50,875	65,711	71,322	78,329	92,900	29.2%	8.5%	9.8%	18.6%
UB Franchise	14,078	16,794	18,051	23,682	26,800	19.3%	7.5%	31.2%	13.2%
Franchise Surtax	3,446	3,862	4,445	5,100	6,000	12.1%	15.1%	14.7%	17.6%
Total, Income	406,232	439,179	480,453	524,620	577,100	8.1%	9.4%	9.2%	10.0%
Inherit., Estate	12,148	19,246	17,871	24,370	21,500	58.4%	-7.1%	36.4%	-11.8%
Deed Recordation	15,638	16,839	21,677	21,219	22,300	7.7%	28.7%	-2.1%	5.1%
Deed Transfer	10,159	13,871	17,326	16,533	17,400	36.5%	24.9%	-4.6%	5.2%
Total, Other	37,945	49,956	56,874	62,122	61,200	31.7%	13.8%	9.2%	-1.5%
TOTAL TAXES	1,172,720	1,295,927	1,398,812	1,536,027	1,661,200	10.5%	7.9%	9.8%	8.1%

Lics.and Permits	29,661	29,728	30,338	31,460	32,316	0.2%	2.1%	3.7%	2.7%
Service Charges	26,691	28,111	28,470	33,690	34,520	5.3%	1.3%	18.3%	2.5%
Fines & Forfeits.	22,124	22,658	23,343	29,214	30,441	2.4%	3.0%	25.2%	4.2%
Other Revenues	20,372	20,465	16,634	22,664	16,954	0.5%	-18.7%	36.3%	-25.2%
Pending Authority	0	0	0	0	500	N.A.	N.A.	N.A.	N.A.
Total, Charges	98,848	100,962	98,785	117,028	114,731	2.1%	-2.2%	18.5%	-2.0%
Gambling	4,868	12,004	25,278	39,000	41,822	146.6%	110.6%	54.3%	7.2%
Surplus Prop Sales	2,966	199	1,835	749	400	-93.3%	882.1%	-59.2%	-46.6%
TOTAL, NONTAX	106,682	113,165	125,898	156,777	156,953	6.1%	11.3%	24.5%	0.1%
TOTAL, LOCAL REVS.	1,279,402	1,409,092	1,524,710	1,692,804	1,818,153	10.1%	8.2%	11.0%	7.4%
Federal Paymt.	336,600	363,343	386,000	425,000	412,358	7.9%	6.2%	10.1%	-3.0%
Revenue Sharing	18,656	17,589	17,932	17,525	17,606	-5.7%	2.0%	-2.3%	0.5%
St. Elizabeths	0	0	0	20,000	23,925	N.A.	N.A.	N.A.	19.6%
Other Federal	0	0	31,222	26,353	13,982	N.A.	N.A.	-15.6%	-46.9%
Total, Federal	355,256	380,932	435,154	488,878	467,871	7.2%	14.2%	12.3%	-4.3%
TOTAL REVENUES	1,634,658	1,790,024	1,959,864	2,181,682	2,286,024	9.5%	9.5%	11.3%	4.8%

*Reflects federal payment rescissions required by the Balanced Budget and Emergency Deficit Control Act of 1985.

Source: D.C. Department of Finance and Revenue

Table G-9
GENERAL FUND REVENUES, FY 1987 - FY 1991 ($ Thousands)

						Percent Change			
Revenue Type	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY87-88	FY88-89	FY89-90	FY90-91
Real Prop. Tax	458,200	494,000	533,000	575,700	622,600	7.8%	7.9%	8.0%	8.1%
Pers. Prop. Tax	50,800	55,900	61,500	67,600	74,400	10.0%	10.0%	9.9%	10.1%
Vault Space	4,600	5,000	5,500	6,100	6,700	8.7%	10.0%	10.9%	9.8%
Total, Prop Tax	513,600	554,900	600,000	649,400	703,700	8.0%	8.1%	8.2%	8.4%
Sales & Use Tax	395,400	431,300	471,100	515,000	563,500	9.1%	9.2%	9.3%	9.4%
Alcoholic Bev.	7,200	7,400	7,400	7,500	7,600	2.8%	0.0%	1.4%	1.3%
Cigarette Tax	9,400	9,300	9,200	9,100	9,000	-1.1%	-1.1%	-1.1%	-1.1%
Hotel Occ. Tax	6,200	6,300	6,400	6,500	6,600	1.6%	1.6%	1.6%	1.5%
MV Fuel Tax	25,600	25,500	25,500	25,400	25,300	-0.4%	0.0%	-0.4%	-0.4%
MV Excise Tax	25,800	27,400	29,000	30,800	32,600	6.2%	5.8%	6.2%	5.8%
Total, Sales	469,600	507,200	548,600	594,300	644,600	8.0%	8.2%	8.3%	8.5%
Public Utilities	84,800	89,000	94,000	99,100	105,100	5.0%	5.6%	5.4%	6.1%
Insurance Tax	21,700	22,300	23,000	23,700	24,400	2.8%	3.1%	3.0%	3.0%
Financial Inst.	0	0	0	0	0	N.A.	N.A.	N.A.	N.A.
Total, Gr.Recs.	106,500	111,300	117,000	122,800	129,500	4.5%	5.1%	5.0%	5.5%
Indiv. Income	485,900	524,100	566,100	611,700	661,500	7.9%	8.0%	8.1%	8.1%
Corp. Franchise	97,400	102,800	110,000	117,300	124,200	5.5%	7.0%	6.6%	5.9%
UB Franchise	29,200	31,500	34,000	36,400	38,900	7.9%	7.9%	7.1%	6.9%
Franchise Surtax	6,300	6,700	7,200	7,700	8,200	6.3%	7.5%	6.9%	6.5%
Total, Income	618,800	665,100	717,300	773,100	832,800	7.5%	7.8%	7.8%	7.7%
Inherit., Estate	25,100	26,600	28,300	30,100	32,000	6.0%	6.4%	6.4%	6.3%
Deed Recordation	23,400	24,800	26,300	27,900	29,500	6.0%	6.0%	6.1%	5.7%
Deed Transfer	18,200	19,300	20,500	21,700	23,000	6.0%	6.2%	5.9%	6.0%
Total, Other	66,700	70,700	75,100	79,700	84,500	6.0%	6.2%	6.1%	6.0%
TOTAL TAXES	1,775,200	1,909,200	2,058,000	2,219,300	2,395,100	7.5%	7.8%	7.8%	7.9%

Lics. and Permits	34,033	33,798	35,345	34,807	36,391	-0.7%	4.6%	-1.5%	4.6%
Service Chgs.	35,298	36,198	36,685	37,039	37,387	2.5%	1.3%	1.0%	0.9%
Fines & Forfeits.	30,505	30,569	30,608	30,647	30,696	0.2%	0.1%	0.1%	0.2%
Other Revenues	20,661	18,602	20,016	19,830	19,545	-10.0%	7.6%	-0.9%	-1.4%
Pending Authority	37,782	19,536	19,436	19,436	19,436	-48.3%	-0.5%	-0.0%	0.0%
TOTAL, Charges	158,279	138,703	142,090	141,759	143,455	-12.4%	2.4%	-0.2%	1.2%
Gambling	47,634	50,918	55,553	59,992	64,913	6.9%	9.1%	8.0%	8.2%
Surplus Prop Sales	500	500	500	500	500	0.0%	0.0%	0.0%	0.0%
TOTAL, NONTAX	206,413	190,121	198,143	202,251	208,868	-7.9%	4.2%	2.1%	3.3%
TOTAL, LOCAL REVS	1,981,613	2,099,321	2,256,143	2,421,551	2,603,968	5.9%	7.5%	7.3%	7.5%
Federal Paymt.	425,000	425,000	425,000	425,000	425,000	0.0%	0.0%	0.0%	0.0%
St. Elizabeths	35,000	30,000	20,000	15,000	10,000	-14.3%	-33.3%	-25.0%	-33.3%
Revenue Sharing	0	0	0	0	0	N.A	N.A.	N.A.	N.A.
Other Federal	0	0	0	0	0	N.A	N.A.	N.A.	N.A.
Total, Federal	460,000	455,000	445,000	440,000	435,000	-1.1%	-2.2%	-1.1%	-1.1%
TOTAL REVENUES	2,441,613	2,554,321	2,701,143	2,861,551	3,038,968	4.6%	5.7%	5.9%	6.2%

Source: D.C. Department of Finance and Revenue

Table G-10

APPROPRIATED SPENDING, BY OBJECT CLASS ($ Millions)

Object Class	FY 1982 Actual	FY 1983 Actual	FY 1984 Actual	FY 1985 Actual	FY 1986 Budget
11: Regular Pay--CFT	618.5	675.9	730.8	754.0	834.3
12: Regular Pay--Other	34.9	43.6	41.5	51.9	48.1
13: Additional Gross Pay	39.2	28.6	33.0	65.8	24.4
14: Fringe Benefits	50.1	60.5	66.1	70.3	75.7
Subtotal, Personal Services	742.7	808.6	871.4	942.0	982.5
20: Supplies	26.6	29.8	31.0	36.9	37.2
30: Energy/Rent/Telephones	76.4	77.3	82.8	87.1	78.6
40: Other Services & Charges	89.2	95.2	93.7	132.0	154.3
50: Subsidies & Transfers	522.3	576.0	662.8	728.6	791.5
60: Land	2.0	1.5	0.9	1.0	1.1
70: Equipment	23.4	32.5	23.9	39.0	34.8
80: Debt Service	137.8	154.5	170.4	179.1	207.4
90: Other	0.0	0.2	0.0	0.0	0.0
Subtotal, Nonpersonal Svcs.	877.7	967.0	1,065.4	1,203.7	1,305.0
GRAND TOTAL	1,620.4	1,775.6	1,936.8	2,145.8	2,287.5

Object Class 80 includes unbudgeted expenditures on debt service accrual.

Source: D.C. Financial Management System; FY 1986 Operating Budget.

Table G-11

COMPARISON OF GROWTH RATES IN DISTRICT SPENDING: FY 1986-FY1987 ($ Millions)

Object Class	FY 1986 Budget	FY 1987 Budget	Change From 86-87	Pct Change	FY 1983-86 Avg. Annual Pct. Chg
11: Regular Pay--CFT	834.3	901.2	66.9	8.0%	7.5%
12: Regular Pay--Other	48.1	57.2	9.1	18.8%	8.0%
13: Additional Gross Pay	24.4	27.7	3.3	-14.8%	16.4%
14: Fringe Benefits	75.7	82.3	6.6	8.7%	8.0%
Subtotal, Personal Services	982.5	1,068.4	85.9	8.7%	7.2%
20: Supplies	37.2	41.0	3.8	10.6%	8.5%
30: Energy/Rent/Telephones	78.6	79.8	1.3	1.7%	1.0%
40: Other Services & Charges	154.3	180.4	26.1	16.9%	18.3%
50: Subsidies & Transfers	791.5	816.1	24.6	3.1%	9.2%
60: Land	1.1	1.1	0.0	0.0%	...
70: Equipment	34.8	37.7	2.9	8.4%	8.6%
80: Debt Service	207.4	217.2	9.8	4.7%	9.0%
Subtotal, Nonpersonal Svcs.	1,304.9	1,373.3	68.5	5.2%	9.2%
GRAND TOTAL	2,287.4	2,441.7	154.3	6.7%	8.3%

Table G-12
CONVERSION OF APPROPRIATED GENERAL FUND EXPENDITURES TO AUDITED FIGURES ($ Millions)

Appropriated Expenditures (as reported in operating budget)		2,145.8
Debt Service Accrual		13.7
Cable T.V.		0.2
Transfers Out:		
University of D.C.		-64.9
D.C. General Hospital		-45.5
Convention Center		-6.9
Housing Finance		-1.7
Capital Projects		-14.1
Housing	-0.2	
Superior Court	-5.0	
Corrections	-3.8	
Pay-As-You-Go	-5.1	
Total, Transfers Out		-133.1
Total Expenditures (see Exhibit 3, CAFR)		$2,026.6
Total Revenues (see Exhibit 3, CAFR)		$2,141.9
Net Operating Transfers:		
Transfers Out		-133.1
Transfers In		36.7
Net Transfers		- 96.4
Excess of Revenues over Expenditures		$18.9
Reconciliation to GAAP Reporting		6.0
Excess of Revenues over Expenditures, GAAP Basis		$24.9

Note: CAFR refers to the District's Comprehensive Annual Financial Report. GAAP refers to generally accepted accounting principles.
Source: Office of DC Controller.

Table G-13

CITYWIDE SUMMARY -- ACTIVE EMPLOYEE HEADCOUNT, FY 1983 - FY 1986

			HEADCOUNT	
FUND SOURCE/POSITION TYPE	FY 1983	FY 1984	FY 1985	FY 1986
APPR: Continuing Full-Time	27,396	27,082	27,589	29,651
Continuing Part-Time	1,053	1,170	1,012	1,094
Term Full-Time	1,405	1,320	1,338	1,032
Term Part-Time	221	50	99	169
SUBTOTAL, APPROPRIATION	30,075	29,662	30,038	31,966
INTRA-DISTRICT	1,297	1,368	1,311	1,377
FEDERAL GRANTS	5,216	5,158	5,115	5,104
OTHER REVENUE	2,470	2,573	2,629	2,698
SUBTOTAL, NON-APPROPRIATED	8,983	9,099	9,055	9,179
GRAND TOTAL	39,058	38,721	39,093	41,145

Source: D.C. Office of Personnel

Table G-14

PERSONAL SERVICES EXPENDITURES--APPROPRIATED, FY 1982-1985 ($ Thousands)

Object/Description	FY 1982 Expenditures	FY 1983 Expenditures	% CHNG FRM FY 1982	FY 1984 Expenditures	% CHNG FM FY 1983	FY 1985 Expenditures	% CHNG FM FY 1984
111 Cont Full-Time	618,541	675,929	9.28%	730,937	8.14%	753,965	3.15%
Reg. Pay - OC 11 TTL	618,541	675,929	9.28%	730,937	8.14%	753,965	3.15%
121 Term Full-Time	10,816	9,669	-10.60%	10,538	8.98%	16,599	57.51%
122 Non-Term Part-Time	6,350	14,755	132.36%	11,816	-19.92%	13,068	10.59%
123 Term Part-Time	2,264	1,857	-17.95%	1,600	-13.87%	2,711	69.47%
124 When Actlly Emplyd	15,399	17,050	10.73%	17,540	2.88%	19,475	11.03%
129	0	0	...	0	...	2,051	...
Reg. Pay Otr - OC 12 TTL	34,828	43,332	24.41%	41,494	-4.24%	51,851	24.96%
131 Shift Differential	1,979	2,256	13.99%	2,525	11.91%	3,005	19.03%
132 Admin Premium	46	41	-11.49%	41	1.34%	42	.29%
133 Overtime Pay	18,093	16,717	-7.61%	19,389	15.99%	28,549	47.24%
134 Terminal Leave	1,786	1,800	0.79%	2,080	15.55%	2,860	37.50%
135 Holiday Pay	3,570	4,038	13.10%	4,496	11.35%	4,954	10.18%
136 Sunday Pay	1,606	1,783	10.98%	1,961	10.02%	2,064	5.24%
137 Other	1,381	1,904	37.87%	2,491	30.82%	3,307	32.76%
138 Bonus Pay	10,714	14	-99.87%	14	-5.10%	21,067	153,630.98%
Adl Gross Pay - OC 13 TTL	39,176	28,553	-27.12%	32,997	15.57%	65,847	99.55%
141 Grp Life Ins	1,849	1,980	7.10%	2,022	2.10%	2,523	24.80%
142 Health Benefits	18,084	20,640	14.13%	23,413	13.44%	24,732	5.63%
143 Uniform Allowance	229	237	3.72%	242	2.11%	692	186.06%
144 Unemployment Ins	0	4	...	5	21.43%	9	-99.82%
145 Disability Ins	144	144	-0.30%	204	41.40%	174	-14.79%
147 Misc Fringe Ben	13	17	32.37%	-1	-103.89%	16	-2,447.50%
148 Ret Cont FICA	3,126	3,270	4.60%	3,693	12.95%	3,923	6.21%
149 Ret Cont Teacher's	2	0	-84.06%	0	-100.00%	0	...
151 Ret Cont Pol&Fire	10	0	-97.31%	0	-100.00%	0	...
152 Ret Cont Civil Svc	23,005	25,396	10.40%	27,573	8.57%	29,575	7.26%
153 Ret Cont Other	3,298	3,696	12.06%	4,045	9.44%	4,168	3.06%
154 Empl Optcl Ins	127	1,196	839.03%	1,290	7.85%	1,252	-2.91%
155 Empl Dental Ins	244	3,343	1,271.38%	3,421	2.32%	3,243	-5.19%
156 Empl Dental Otr	0	618	...	233	-62.34%	0	-99.97%
Fringe Benfts - OC 14 TTL	50,131	60,541	20.77%	66,139	9.25%	70,297	6.29%

510 Teachers Ret (GX)	60,221	55,883	-7.20%	71,662	28.23%	64,194	-10.42%
510 Judcl Ret. (FG)	1,200	1,400	16.67%	1,700	21.43%	1,823	7.24%
510 Pol&Fire Ret (FD)	73,523	84,967	15.56%	100,108	17.82%	98,478	-1.63%
TOTAL FRINGE BENEFITS	185,075	202,791	9.57%	239,609	18.16%	234,792	-2.01%
TOTAL PERSONAL SERVICES	877,620	950,604	8.32%	1,045,038	9.93%	1,106,455	5.88%

Source: D.C. Financial Management System

Table G-15
AGENCY EMPLOYMENT DATA FY 1984-FY 1987

	AUTHORIZED CFT POSITONS				AVG CFT EMPLOYMENT				FULL-TIME EQUIVALENT			
Appropriation Title/Agency	FY 1984	FY 1985	FY 1986	FY 1987	FY 1984	FY 1985	FY 1986	FY 1987	FY 1984	FY 1985	FY 1986	FY 1
GOVERNMENT DIRECTION												
Council	139	139	152	165	131	136	152	165	131	136	152	16
Auditor	15	15	18	18	14	15	18	17	14	14	17	1
Adv Neighbrhd Comm	0	0	0	0	0	0	0	0	0	0	0	
Mayor	25	25	33	39	24	25	32	38	25	30	33	3
Exec Secretary	34	37	37	34	33	35	37	34	37	39	40	3
Inspector General	16	16	16	27	16	16	16	26	19	25	17	2
Press Secretary	7	9	9	11	5	9	9	11	7	9	9	1
Personnel	363	374	374	384	325	336	365	375	325	336	365	37
Admin Services	333	347	408	493	305	323	388	467	348	364	443	52
City Adminstrtr	24	24	28	28	24	24	28	28	24	24	28	2
Intergovernmental	9	10	10	13	6	7	10	13	9	10	10	1
Dep Myr Finance	0	5	5	5	0	5	5	5	0	3	5	
Ofc Budget	49	49	51	51	40	40	42	44	54	44	46	4
Office of Finan Mgt	298	293	293	293	279	281	293	293	292	289	310	31
Finance &Revenue	508	553	559	570	487	530	536	554	550	570	583	59
Elections & Ethics	41	44	33	34	39	44	33	34	107	79	61	6
Campaign Finance	0	0	14	14	0	0	14	14	0	0	44	4
PERB	4	4	4	4	4	4	4	4	4	4	4	
Employee Appeals	16	18	24	24	16	16	22	22	23	25	33	3
Council of Govts	0	0	0	0	0	0	0	0	0	0	0	
Retirement Board	7	7	7	7	7	7	7	7	7	7	7	
Statehood	0	0	0	0	0	0	0	0	0	0	0	
Baseball Commission	0	0	0	0	0	0	0	0	0	0	0	
subtotal, Govt Direction	1,888	1,969	2,075	2,214	1,755	1,853	2,011	2,151	1,976	2,008	2,207	2,34

ECONOMIC DEVELOPMENT												
Dep Myr Econ Develpmnt	0	3	3	8	0	3	3	8	0	3	3	
Ofc Planning	78	76	76	76	78	69	76	76	87	74	81	8
Housing & Commty Dev	62	64	71	108	57	64	71	108	57	64	71	10
Employmnt Services	129	135	183	203	116	135	183	203	184	181	188	20
OBED	24	30	35	47	24	29	35	45	25	31	38	4
Housing Fin Agy	[16]	[16]	[16]	[18]	[NA]	[NA]	[NA]	[NA]	[17]	[16]	[16]	[18
Minority Business	9	9	9	18	8	7	9	18	9	11	15	2
Appeals & Review	4	3	3	1	4	2	3	1	4	3	3	
Equalztn & Review	0	1	1	2	0	1	1	2	0	4	2	
Consmr & Reg Affairs	670	701	754	851	627	619	726	820	640	653	757	88
Pub Service Commissn	46	56	61	68	44	53	61	65	47	55	65	6
People's Counsel	10	14	14	15	10	13	14	15	10	17	20	2
Healing Arts	8	11	11	11	7	7	11	11	7	7	11	1
subtotal, Econ Development	1,040	1,103	1,221	1,408	975	1,002	1,193	1,372	1,070	1,103	1,254	1,46
PUBLIC SAFETY AND JUSTICE												
Police	4,539	4,534	4,534	4,598	4,352	4,341	4,352	4,473	4,436	4,428	4,441	4,498
Fire	1,664	1,664	1,769	1,849	1,558	1,541	1,626	1,772	1,561	1,544	1,629	1,775
Police & Fire Retirmnt	0	0	0	0	0	0	0	0	0	0	0	0
Judges Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Crt Appeals	73	74	77	79	70	71	76	78	73	72	77	79
Superior Crt	959	983	995	1,036	920	954	965	1,002	930	960	975	1,010
Court System	66	67	68	71	63	61	66	69	64	62	66	69
Corp Counsel	165	201	213	213	156	185	206	206	156	203	226	226
Settlmnts & Judgmnts	0	0	0	0	0	0	0	0	0	0	0	0
Public Defender	[117]	[117]	[117]	[120]	[116]	[116]	[115]	[118]	[116]	[116]	[115]	[118]
Pretrial Services	48	48	63	69	42	43	59	65	45	46	61	68

APPENDIX H

TABLE H-1
SUMMARY OF TOTAL EXPENDITURES BY AGENCY, FY 1985-1987

	1985 Actual		1986 Appropriation		1987 Request		1987 Federal Grants		1987 Other		1987 Total	
APPROPRIATION/AGENCY	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GOVT. DIRECTION AND SUPPORT:												
Council (AB)	139	5,819	152	6,335	165	7,055	0	0	0	0	165	7,055
Auditor (AC)	15	464	18	661	18	689	0	0	0	0	18	689
ANC's (DX)	0	1,041	0	1,072	0	1,072	0	0	0	0	0	1,072
Mayor (AA)	25	1,262	33	1,728	39	2,005	0	0	0	0	39	2,005
Office of the Secretary (BA)	37	2,240	37	2,375	34	2,431	0	0	2	79	36	2,510
Inspector General (AD)	16	972	16	895	27	1,293	0	0	0	0	27	1,293
Press Secretary (BB)	9	327	9	401	11	471	0	0	0	0	11	471
Intergovernmental (BP)	10	485	10	524	13	671	0	0	0	0	13	671
Deputy Mayor/City Admin. (AE)	24	913	28	1,097	28	1,151	0	0	0	0	28	1,151
Personnel (BE)	374	12,782	374	13,566	384	14,584	0	0	0	36	384	14,620
Administrative Services (AS)	347	23,877	408	27,099	493	30,264	0	0	3	127	496	30,391
Deputy Mayor Finance (AT)	5	131	5	200	5	210	0	0	0	0	5	210
Budget (BC)	49	1,680	51	1,712	51	1,954	0	0	0	0	51	1,954
Financial Management (BF)	293	15,693	293	17,016	293	17,524	0	0	0	114	293	17,638
Finance and Revenue (CA)	553	18,081	559	19,034	570	21,007	0	0	0	71	570	21,078
Elections and Ethics (DL)	44	2,929	33	2,164	34	2,385	0	0	0	0	34	2,385
Campaign Finance (CJ)	0	0	14	992	14	1032	0	0	0	0	14	1,032
Employee Relations Board (CG)	4	216	4	247	4	253	0	0	0	0	4	253
Employee Appeals (CH)	18	815	24	1,053	24	1,112	0	0	0	0	24	1,112
Retirement Board (DY)	7	667	7	700	7	700	0	0	0	3,072	7	3,772
Council of Governments (EAO	0	298	0	316	0	335	0	0	0	0	0	335
Statehood Constitutional (CI)	0	41	0	100	0	100	0	0	0	0	0	100
Baseball Commission (FS)	0	40	0	55	0	55	0	0	0	45	0	100
Total, Govt. Direction & Support	1,959	90,773	2,075	99,342	2,214	108,353	0	0	5	3,544	2,219	111,897
ECONOMIC DEVELOPMNT & REGLTN:												
Deputy Mayor/Ec. Develop. (ED)	3	302	3	510	8	710	0	0	0	0	8	710
Planning (BD)	76	3,155	76	3,404	76	3,564	0	0	0	50	76	3,614
Housing & Comm. Develop. (DB)	61	20,154	71	22,913	108	39,939	940	74,691	21	30,846	1,069	145,476
Housing Pay-as-you-go capital	0	0	0	0	0	2,000	0	0	0	0	0	2,000
Employment Services (CF)	135	25,246	183	27,995	203	35,012	516	32,916	128	5,041	847	72,969
Business & Econ. Develop. (EN)	30	1,535	35	9,313	47	5,830	0	0	0	0	47	5,830
Minority Business (EM)	9	327	9	507	18	870	0	0	0	0	18	870
Housing Finance Agency (DZ)	(16)	1,683	(16)	2,100	(18)	2,390	(3)	125	0	75	(21)	2,590
Appeals and Review (DK)	3	69	3	144	1	50	0	0	0	0	1	50
Equalization and Review (DA)	1	103	1	112	2	159	0	0	0	0	2	159
Consumer & Reg. Affairs (CR)	701	23,902	754	28,063	851	34,034	62	2,785	5	1,621	918	38,440
Public Service Commission (DH)	56	2,053	61	3,035	68	3,351	1	68	0	36	69	3,455
People's Counsel (DJ)	14	812	14	1,005	15	1,087	0	0	0	40	15	1,127
Healing Arts Licesnure (DT)	11	351	11	434	11	464	0	0	0	0	11	464
Job Training Initiative (JT)	0	0	0	500	0	0						
Total, Econ. Developmnt & Regltn	1,103	79,692	1,221	100,035	1,408	129,460	1,519	110,585	154	37,709	3,081	277,754
PUBLIC SAFETY & JUSTICE												
Police Department (FA)	4,534	151,662	4,534	148,124	4,598	157,813	0	40	1	1,983	4,599	159,836
Fire Department (FB)	1,664	62,321	1,769	59,863	1,849	68,284	0	0	0	3	1,849	68,287
Police & Fire Retirement (FD)	0	98,478	0	115,640	0	111,800	0	0	0	0	0	111,800
Judges Retirement (FG)	0	1,823	0	1,800	0	2,500	0	0	0	0	0	2,500
Court of Appeals (FM)	74	3,181	77	3,565	79	3,758	0	0	0	0	79	3,758
Superior Court (FC)	983	43,032	995	40,712	1,036	43,706	0	0	0	0	1,036	43,706
D. C. Court System (FN)	67	13,336	68	15,537	71	16,028	0	0	0	0	71	16,028
Corporation Counsel (CB)	201	8,879	213	9,353	213	10,137	0	0	4	380	217	10,517
Settlements & Judgements (ZC)	0	6,463	0	5,669	0	6,600	0	0	0	0	0	6,600
Public Defender Service (FE)	(117)	4,246	(117)	4,428	(120)	4,786	0	0	0	0	(120)	4,786
Pretrial Services Agency (FF)	48	1,486	63	2,174	69	2,367	0	0	0	0	69	2,367
Corrections (FL)	2,868	136,559	2,868	137,952	2,857	147,730	0	0	0	1,609	2,857	149,339
Parole (DD)	33	1,088	33	1,324	40	1,571	0	0	0	0	40	1,571
National Guard (FK)	22	594	25	710	25	763	0	0	0	0	25	763
Emergency Preparedness (BN)	11	466	15	492	34	1,466	17	514	0	0	51	1,980
Jud. Dis. & Tenure (DQ)	1	114	2	111	2	116	0	0	0	0	2	116
Jud. Nomination Comm. (DV)	0	35	0	37	0	37	0	0	0	0	0	37
Law Revision Comm. (DW)	8	486	8	466	3	220	0	0	0	0	3	220
Criminal Justice (BQ)	13	773	15	889	20	983	0	609	0	0	20	1,592
Total, Public Safety & Justice	10,527	535,022	10,685	548,866	10,896	580,665	17	1,163	5	3,975	10,918	585,803
PUBLIC EDUCATION SYSTEM:												
Board of Education (GA)	9,272	345,635	9,405	360,150	9,545	385,806	944	40,050	35	2,913	10,524	428,769
Schools Pay-as-you-go capital	0	0	0	0	0	8,000	0	0	0	0	0	8,000
Teachers' Retirement (GX)	0	64,194	0	70,905	0	58,800	0	0	0	0	0	58,800
University (GF)	1,365	64,933	1,365	67,715	1,365	69,015	96	6,128	55	10,701	1,516	85,844
Ed. Instl. Lic. Comm. (GH)	5	204	5	210	5	237	2	62	0	0	7	299
Library (CE)	402	14,215	412	15,002	444	16,646	8	449	1	250	453	17,345
Arts & Humanities (BX)	8	1,198	8	1,673	11	2,368	5	443	0	0	16	2,811
Total, Public Education System	11,052	490,379	11,195	515,655	11,370	540,872	1,055	47,132	91	13,864	12,516	601,868
HUMAN SUPPORT SERVICES:												
Human Services (JA)	3,342	411,997	3,459	511,576	3,524	541,241	2,480	307,178	15	4,634	6,019	853,053
DHS Pay-as-you-go capital	0	0	0	0	0	298	0	0	0	0	0	298
Recreation (HA)	487	23,693	526	25,412	566	27,663	0	0	3	998	569	28,661
Aging (BY)	12	6,240	12	7,665	16	10,350	15	4,112	0	2	31	14,464
D.C. General Hospital (JC)	0	45,500	0	48,350	0	50,930	0	121	0	52,624	0	103,675
St. Elizabeths Hospital (JE)	0	55,207	0	0	0	0	0	0	0	0	0	0
Unemployment Compensation (BH)	0	3,162	0	5,207	0	3,207	0	0	0	0	0	3,207
Disability Compensation (BG)	0	14,406	0	11,000	0	13,800	0	0	0	0	0	13,800
Human Rights (BR)	51	1,323	51	1,349	51	1,473	7	363	0	0	58	1,836
Latino Affairs (BZ)	7	359	7	385	7	1,911	0	0	0	0	7	1,911
Commission for Women (DP)	4	137	4	191	6	204	0	0	0	0	6	204
D. C. Energy Office (JF)	0	2,908	10	3,212	10	3,238	37	6,530	4	107	51	9,875
Total, Human Support Services	3,903	564,932	4,069	614,347	4,180	654,315	2,539	318,304	22	58,365	6,741	1,030,984

FY 1987 OPERATING BUDGET

TABLE I - SUMMARY OF TOTAL EXPENDITURES BY AGENCY, FY 1985-1987

APPROPRIATION/AGENCY	1985 Actual Pos.	1985 Actual Amount	1986 Appropriation Pos.	1986 Appropriation Amount	1987 Request Pos.	1987 Request Amount	1987 Federal Grants Pos.	1987 Federal Grants Amount	1987 Other Pos.	1987 Other Amount	1987 Total Pos.	1987 Total Amount
PUBLIC WORKS:												
Public Works (PW)	1,846	93,138	1,895	93,151	1,901	102,012	36	1,956	64	7,049	2,001	111,017
Transit Commission (KC)	0	87	0	90	0	86	0	0	0	0	0	86
Transit Authority (KE)	0	94,688	0	96,500	0	98,500	0	6,244	0	0	0	104,744
School Transit Subsidy (KD)	0	3,925	0	4,000	0	4,150	0	0	0	0	0	4,150
Total,Public Works	1,846	191,838	1,895	193,741	1,901	204,748	36	8,200	64	7,049	2,001	219,997
											0	0
CONVENTER CENTER FUND (ER)	0	6,930	0	8,371	0	6,261	0	0	0	0	0	6,261
											0	0
LOANS AND INTEREST (DS)	0	189,090	0	198,409	0	204,514	0	0	0	0	0	204,514
GENERAL FUND DEFICIT (ZA)	0	0	0	5,000	0	8,675	0	0	0	0	0	8,675
SHORT-TERM BORROWINGS (ZF)	0	3,750	0	3,750	0	3,750	0	0	0	0	0	3,750
INAUGURAL EXPENSES	0	1,975	0	0	0	0	0	0	0	0	0	0
TOTAL, GENERAL FUND OPERATING	30,400	2,154,391	31,140	2,287,516	31,969	2,441,613	5,166	485,384	341	124,506	37,476	3,051,503
Pay-as-you-go capital	0	5,087	0	3,531	0	0	0	0	0	0	0	0
TOTAL, GENERAL FUND	30,400	2,159,468	31,140	2,291,047	31,969	2,441,613	5,166	485,384	341	124,506	37,476	3,051,503
WATER AND SEWER ENTERPRISE:												
Utility Administration (PW)	1,063	127,006	1,273	148,083	1,288	160,647	0	0	0	297	1,288	160,944
Washington Aqueduct (LB)	(275)	13,699	(275)	14,904	(275)	16,229	0	0	0	0	(275)	16,229
Total, Water and Sewer	1,063	140,704	1,273	162,987	1,288	176,876	0	0	0	297	1,288	177,173
LOTTERY & CHARITABLE GAMES (DC)	79	3,528	94	4,151	94	5,458	0	0	0	140,920	94	146,378
CABLE TELEVISION (CT)	4	241	4	250	4	250	0	0	0	250	4	500
TOTAL, ENTERPRISE FUNDS	1,146	144,473	1,371	167,388	1,386	182,584	0	0	0	141,467	1,386	324,051
TOTAL, OPERATING EXPENSES	31,546	2,303,941	32,511	2,458,435	33,355	2,624,197	5,166	485,384	341	265,973	38,862	3,375,554
CAPITAL OUTLAY:												
General Fund	0	114,242	0	229,148	0	310,551	0	52,180	0	0	0	362,731
Water and Sewer Fund	0	22,180	0	19,635	0	54,850	0	51,570	0	0	0	106,420
TOTAL, CAPITAL OUTLAY	0	136,422	0	248,783	0	365,401	0	103,750	0	0	0	469,151
GRAND TOTAL	31,546	2,440,363	32,511	2,707,218	33,355	2,989,598	5,166	589,134	341	265,973	38,862	3,844.705

APPENDIX H

TABLE H-2
SUMMARY OF ADJUSTMENTS AND INCREASES BY AGENCY, FY 1986-1987 (APPROPRIATED FUNDS ONLY)

	1986		1986 - 1987		1987 Adjusted				1987		1986 - 1987	
	Appropriation		Adjustments		Base		Increases		Request		Change	
APPROPRIATION/AGENCY	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GOVT. DIRECTION AND SUPPORT:												
Council (AB)	152	6,335	0	0	152	6,335	13	720	165	7,055	13	720
Auditor (AC)	18	661	0	-13	18	648	0	41	18	689	0	28
ANC's (DX)	0	1,072	0	0	0	1,072	0	0	0	1,072	0	0
Mayor (AA)	33	1,728	0	0	33	1,728	6	277	39	2,005	6	277
Office of the Secretary (BA)	37	2,375	-3	-85	34	2,290	0	141	34	2,431	-3	56
Inspector General (AD)	16	895	0	0	16	895	11	398	27	1,293	11	398
Press Secretary (BB)	9	401	0	0	9	401	2	70	11	471	2	70
Intergovernmental (BP)	10	524	0	0	10	524	3	147	13	671	3	147
Deputy Mayor/City Adm.(AE)	28	1,097	0	0	28	1,097	0	54	28	1,151	0	54
Personnel (BE)	374	13,566	0	-119	374	13,447	10	1,137	384	14,584	10	1,018
Administrative Services (AS)	408	27,099	0	-160	408	26,939	85	3,325	493	30,264	85	3,165
Deputy Mayor/Finance (AT)	5	200	0	0	5	200	0	10	5	210	0	10
Budget (BC)	51	1,712	0	0	51	1,712	0	242	51	1,954	0	242
Financial Management (BF)	293	17,016	0	-1,219	293	15,797	0	1,727	293	17,524	0	508
Finance and Revenue (CA)	559	19,034	0	-84	559	18,950	11	2,057	570	21,007	11	1,973
Elections and Ethics (DL)	33	2,164	0	-12	33	2,152	1	233	34	2,385	1	221
Campaign Finance (CJ)	14	992	0	-22	14	970	0	62	14	1,032	0	40
Public Employee Relations (CG)	4	247	0	-2	4	245	0	8	4	253	0	6
Employee Appeals (CH)	24	1,053	0	-8	24	1,045	0	67	24	1,112	0	59
Retirement Board (DY)	7	700	0	0	7	700	0	0	7	700	0	0
Council of Governments (EA)	0	316	0	0	0	316	0	19	0	335	0	19
Statehood (CI)	0	100	0	0	0	100	0	0	0	100	0	0
Baseball Commission (FS)	0	55	0	0	0	55			0	55	0	0
Total, Govt. Direction & Support	2,075	99,342	-3	-1,724	2,072	97,618	142	10,735	2,214	108,353	139	9,011
ECON. DEVELP. & REG.												
Deputy Mayor/Ec. Develop. (ED)	3	510	0	0	3	510	5	200	8	710	5	200
Office of Planning (BD)	76	3,404	0	0	76	3,404	0	160	76	3,564	0	160
Housing & Comm. Develop. (DB)	71	22,913	0	0	71	22,913	37	17,026	108	39,939	37	17,026
Housing Pay-as-you-go capital	0	0	0	0	0	0	0	2,000	0	2,000	0	2,000
Employment Services (CF)	183	27,995	0	416	183	28,411	20	6,601	203	35,012	20	7,017
Business & Econ. Develop. (EN)	35	9,313	0	-4,000	35	5,313	12	517	47	5,830	12	-3,483
Minority Business (EM)	9	507	0	0	9	507	9	363	18	870	9	363
Housing Finance Agency (DZ)	(16)	2,100	0	0	(16)	2,100	(2)	290	(18)	2,390	(2)	290
Appeals and Review (DK)	3	144	-2	-94	1	50	0	0	1	50	-2	-94
Equalization and Review (DA)	1	112	1	47	2	159	0	0	2	159	1	47
Consumer & Reg. Affairs (CR)	754	28,063	0	0	754	28,063	97	5,971	851	34,034	97	5,971
Public Service Commission (DH)	61	3,035	0	-174	61	2,861	7	490	68	3,351	7	316
People's Counsel (DJ)	14	1,005	0	-87	14	918	1	169	15	1,087	1	82
Healing Art Licensure (DT)	11	434	0	0	11	434	0	30	11	464	0	30
Job Training Initiative (JT)	0	500	0	-500	0	0	0	0	0	0	0	-500
Total, Econ. Developmnt & Regltn	1,221	100,035	-1	-4,392	1,220	95,643	188	33,817	1,408	129,460	187	29,425
PUBLIC SAFETY & JUSTICE:												
Police Department (FA)	4,534	148,124	0	0	4,534	148,124	64	9,689	4,598	157,813	64	9,689
Fire Department (FB)	1,769	59,863	0	-223	1,769	59,640	80	8,644	1,849	68,284	80	8,421
Police & Fire Retirement (FD)	0	115,640	0	-3,840	0	111,800	0	0	0	111,800	0	-3,840
Judges Retirement (FG)	0	1,800	0	0	0	1,800	0	700	0	2,500	0	700
Court of Appeals (FM)	77	3,565	0	-51	77	3,514	2	244	79	3,758	2	193
Superior Court (FC)	995	40,712	0	-61	995	40,651	41	3,055	1,036	43,706	41	2,994
D. C. Court System (FN)	68	15,537	0	-101	68	15,436	3	592	71	16,028	3	491
Corporation Counsel (CB)	213	9,353	0	-109	213	9,244	0	893	213	10,137	0	784
Settlements & Judgments (ZC)	0	5,669	0	0	0	5,669	0	931	0	6,600	0	931
Public Defender Service (FE)	(117)	4,428	0	0	(117)	4,428	(3)	358	(120)	4,786	(3)	358
Pretrial Services Agency (FF)	63	2,174	0	0	63	2,174	6	193	69	2,367	6	193
Corrections (FL)	2,868	137,952	-396	-13,550	2,472	124,402	385	23,328	2,857	147,730	-11	9,778
Parole (FK)	33	1,324	0	0	33	1,324	7	247	40	1,571	7	247
National Guard (FK)	25	710	0	-15	25	695	0	68	25	763	0	53
Emergency Preparedness (BN)	15	492	4	129	19	621	15	845	34	1,466	19	974
Jud. Dis. & Tenure (DQ)	2	111	0	0	2	111	0	5	2	116	0	5
Jud. Nomination Comm. (DV)	0	37	0	0	0	37	0	0	0	37	0	0
Law Revision Comm. (DW)	8	486	-5	-274	3	212	0	8	3	220	-5	-266
Criminal Justice (BQ)	15	889	0	-5	15	884	5	99	20	983	5	94
Total, Public Safety & Justice	10,685	548,866	-397	-18,100	10,288	530,766	608	49,899	10,896	580,665	211	31,799
PUBLIC EDUCATION SYSTEM:												
Board of Education (GA)	9,405	360,150	0	0	9,405	360,150	140	25,656	9,545	385,806	140	25,656
Schools Pay-as-you-go capital	0	0	0	0	0	0	0	8,000	0	8,000	0	8,000
Teachers' Retirement (GX)	0	70,905	0	-12,105	0	58,800	0	0	0	58,800	0	-12,105
University (GF)	1,365	67,715	0	0	1,365	67,715	0	1,300	1,365	69,015	0	1,300
Ed. Insti. Lic. Comm. (GH)	5	210	0	0	5	210	0	27	5	237	0	27
Library (CE)	412	15,002	0	0	412	15,002	32	1,644	444	16,646	32	1,644
Arts & Humanities (BX)	8	1,673	0	0	8	1,673	3	695	11	2,368	3	695
Total, Public Education System	11,195	515,655	0	-12,105	11,195	503,550	175	37,322	11,370	540,872	175	25,217
HUMAN SUPPORT SERVICES:												
Human Services (JA)	3,459	511,576	0	-9,001	3,459	502,575	65	38,666	3,524	541,241	65	29,665
DHS Pay-as-you go capital	0	0	0	0	0	0	0	298	0	298	0	298
Recreation (HA)	526	25,412	0	0	526	25,412	40	2,251	566	27,663	40	2,251
Aging (BY)	12	7,665	0	0	12	7,665	4	2,685	16	10,350	4	2,685
D.C. General Hospital (JC)	0	48,350	0	0	0	48,350	0	2,580	0	50,930	0	2,580
Unemployment Compensation (BH)	0	5,207	0	-2,000	0	3,207	0	0	0	3,207	0	-2,000
Disability Compensation (BG)	0	11,000	0	0	0	11,000	0	2,800	0	13,800	0	2,800
Human Rights (BR)	51	1,349	-2	-44	49	1,305	2	168	51	1,473	0	124
Latino Affairs (BZ)	7	385	0	0	7	385	0	1,526	7	1,911	0	1,526
Women (DP)	4	191	0	0	4	191	2	13	6	204	2	13
Energy Office (JF)	10	3,212	0	-59	10	3,153	0	85	10	3,238	0	26
Total, Human Support Services	4,069	614,347	-2	-11,104	4,067	603,243	113	51,072	4,180	654,315	111	39,968

FY 1987 OPERATING BUDGET

TABLE II - SUMMARY OF ADJUSTMENTS AND INCREASES BY AGENCY, FY 1986-1987

APPROPRIATED FUNDS ONLY

	1986 Appropriation		1986 - 1987 Adjustments		1987 Adjusted Base		Increases		1987 Request		1986 - 1987 Change	
APPROPRIATION/AGENCY	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
PUBLIC WORKS:												
Public Works (PW)	1,895	93,151	0	-824	1,895	92,327	6	9,685	1,901	102,012	6	8,861
Transit Commission (KC)	0	90	0	-4	0	86	0	0	0	86	0	-4
Transit Authority (KE)	0	96,500	0	0	0	96,500	0	2,000	0	98,500	0	2,000
School Transit Subsidy (KD)	0	4,000	0	0	0	4,000	0	150	0	4,150	0	150
Total,Public Works	1,895	193,741	0	-828	1,895	192,913	6	11,835	1,901	204,748	6	11,007
WASH. CONV. CENTER FUND (ER)	0	8,371	0	-2,110	0	6,261	0	0	0	6,261	0	-2,110
LOANS AND INTEREST (DS)	0	198,409	0	0	0	198,409	0	6,105	0	204,514	0	6,105
GENERAL FUND DEFICIT (ZA)	0	5,000	0	0	0	5,000	0	3,675	0	8,675	0	3,675
SHORT-TERM BORROWINGS (ZF)	0	3,750	0	0	0	3,750	0	0	0	3,750	0	0
TOTAL, GENERAL FUND OPERATING	31,140	2,287,516	-403	-50,363	30,737	2,237,153	1,232	204,460	31,969	2,441,613	829	154,097
Pay-as-you-go capital	0	3,531	0	-3,531	0	0	0	0	0	0	0	-3,531
TOTAL, GENERAL FUND	31,140	2,291,047	-403	-53,894	30,737	2,237,153	1,232	204,460	31,969	2,441,613	829	150,566
WATER AND SEWER ENTERPRISE FUND:												
Utility Administration (PW)	1,273	148,083	0	-7,056	1,273	141,027	15	19,620	1,288	160,647	15	12,564
Washington Aqueduct (LB)	(275)	14,904	0	0	(275)	14,904	0	1,325	(275)	16,229	0	1,325
Total, Water and Sewer	1,273	162,987	0	-7,056	1,273	155,931	15	20,945	1,288	176,876	15	13,889
LOTTERY AND CHARITABLE GAMES (DC)	94	4,151	0	0	94	4,151	0	1,307	94	5,458	0	1,307
CABLE TELEVISION (CT)	4	250	0	0	4	250	0	0	4	250	0	0
TOTAL, ENTERPRISE FUNDS	1,371	167,388	0	-7,056	1,371	160,332	15	22,252	1,386	182,584	15	15,196
TOTAL, OPERATING EXPENSES	32,511	2,458,435	-403	-60,950	32,108	2,397,485	1,247	226,712	33,355	2,624,197	844	165,762
CAPITAL OUTLAY:												
General Fund	0	229,148								310,551	0	285,669
Water and Sewer Fund	0	19,635								54,850		54,850
TOTAL, CAPITAL OUTLAY	0	248,783	0	0	0	0	0	0	0	365,401	0	340,519
GRAND TOTAL	32,511	2,707,218	-403	-60,950	32,108	2,397,485	1,247	226,712	33,355	2,989,598	844	506,281

APPENDIX I: GLOSSARY OF BUDGET TERMS

Allocable Revenue--Revenue earned, collected, and used by the agency responsible for generating the revenue.

Appropriated Revenue--Revenue collected by an agency on behalf of the District Treasury; such revenue is used to support the operations of all agencies.

Amendment--A proposed change to a budget that is not yet finally approved, but has been formally submitted by the executive to the legislative branch.

Annualization--A budget increase to provide full-year budget authority for a budgetary item that was only partially funded in the prior-year budget.

Appropriation--Authority to spend funds appropriated by Congress and financed by general District revenues, the federal payment, and the District's portion of federal revenue sharing.

Attrition--Voluntary employment losses, such as retirements and resignations.

Average All Other Employment--An employment figure derived by adding the actual or anticipated end-of-month noncontinuing full-time employment for each month in a fiscal year and dividing the total by 12 to obtain a monthly average.

Average Continuing Full-Time (CFT) Employment--An employment figure derived by adding the actual or anticipated end-of-month continuing full-time employment for each month in a fiscal year and dividing the total by 12 to obtain a monthly average.

Average Continuing Full-Time (CFT) Salary-- A salary figure derived by dividing the total continuing full-time position funding (Object Class 11) for a given fiscal year by the average continuing full-time employment for that fiscal year.

Average Full-Time Equivalent (FTE) Salary--A salary figure derived by dividing the sum of actual or anticipated compensation (Object Classes 11, 12, and 13) by the sum of the total full-time equivalent (FTE) employment and FTE overtime and other pay employment.

Budget Authority--Authority provided by law to enter into obligations that will result in expenditures. It may be classified by the period of availability (one-year, multiple-year, no-year), by the timing of congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite).

Budget Category--An operating budget expenditure classification: either personal services (PS) or nonpersonal services (NPS).

Budget Establishment--The period immediately preceding the beginning of the budget fiscal year during which final revenue budgets, intra-District budgets, and expenditure budgets are prepared and entered into the formal accounting records of the District.

Budget Modification--A change in any portion of the budget during the fiscal year.

Budget Preparation--The budget planning and development process from the initial budget call, up to and including final approval by Congress.

Capital Improvements Program--A plan for initiating the development, modernization, or replacement of District-owned facilities during a six-year period. As annually revised, this plan provides the basis for future-year capital budget requests.

Continuing Full-Time (CFT) Positions--Full-time positions that the District has authority to fill under its congressional appropriation. Although these are "authorized" positions, some CFT positions may not be filled because of funding constraints.

Control Center--The basic unit of budgetary and financial control in the District's financial management system. Each District agency is composed of one or more control centers that serve as the major subparts of the agency's budget.

Current Services Budget--An estimate of the funds needed to continue existing levels of service in the next fiscal year.

Encumbrance--A reservation of funds to buy goods and services.

Energy, Rent, and Communications--The name of the object class used to allocate funds for those needs.

Enterprise Funds--Budget and accounting units created for particular purposes, such as water and sewer services or other self-sustaining operations, to separate the revenue and financial control of such operations from the District's General Fund.

Expenditure--A payment for goods or services received.

Equipment and Equipment Rental--The name of the object class used to allocate funds for such needs.

Federal Payment--The annual amount paid by the federal government to the District as compensation for costs incurred by the District in fulfilling its unique role as the nation's capital.

Financial Management System (FMS)--An automated data system for recording all District budgetary and accounting information and producing regular financial reports.

Fringe Benefits--Part of overall employee compensation, including life and health insurance and retirement and social security contributions.

Full-Time Equivalent (FTE) Employment--An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years.

Fund--A budgeting and accounting device used to establish accounts for separating revenues and their related obligations and expenditures for one purpose from those revenues, obligations, and expenditures for other purposes.

GAAP--The acronynm for generally accepted accounting principles, the nationally recognized professional standards for financial reporting and accountability that the District follows.

General Fund Deficit--In the District, an amount representing unfunded expenditures and obligations accumulated primarily in years prior to Home Rule.

General Obligation Bonds--Bonds sold by a municipal government to private investors to provide long-term financing for capital project needs. Repayment of the principal and interest is made from General Fund revenue.

Gross Budget--A total budget amount that includes resources from all funding sources.

Indirect Costs--Administrative overhead costs incurred by the District in managing grant programs.

Inflation--An increase in the general price of goods or services resulting in a decline in the purchasing power of currently available money.

Interest Accrual--The amount of interest owed on borrowings, but not due to be paid until a later date.

Intra-District Sales--The exchange for payment of goods or services between District agencies or funds.

Land and Buildings--The name of the budgetary object class used to allocate funds for the purchase of land or buildings.

Match--A locally provided cash or in-kind services contribution required to supplement or equal a grant or gift as a condition for receiving the funds.

MBGAC--The commonly used initials representing the Mayor's Block Grant Advisory Committee, which advises the Mayor on the best use of the federal block grant funds available to the District.

Nonappropriated Revenue--Revenue from federal or private grants or other sources that are available to finance the operations or activities of the agency collecting the revenue; such revenue is not appropriated to the District by Congress in the annual appropriation act.

Nonrecurring Expenditures--One-time expenditures for special items, such as a new fire truck or a computer system, that do not need to be budgeted for again in the year following their purchase.

Object Class--A budgetary classification that breaks down the general budget categories of personal services or nonpersoanl services into more specific types of expenditure, such as Fringe Benefits (Object Class 14) or Supplies (Object Class 20).

Obligations--The amount for expenditures already made as well as the cost of commitments requiring future payments.

Other Services and Charges--The name of the object class primarily used to allocate funds for contractual services.

Overtime and Other Pay--Full-Time Equivalent--An employment figure derived by determining the total number of overtime, holiday, and other hours paid or projected to be paid and dividing that amount by the standard number of hours in a work year (2,080).

Real (Constant) Dollars--The value of current-year dollars adjusted to account for inflation.

Redirections--The permanent shift of funds or positions within an agency.

Regular Pay--Salary and wages for all continuing full-time employees.

Reprogramming--A temporary budget change to reallocate funds within an agency's budget to meet a purpose other than that originally approved.

Rescission--The consequence of a legislative enactment canceling budget authority previously approved by the Council and Congress before that authority would otherwise lapse.

Responsibility Center--A component of a control center; the lowest organizational level shown in the annual budget request.

Revenue Bonds--Bonds whose principal and interest are payable exclusively from the earnings of an enterprise fund.

Revenue Category--General types of revenue, such as taxes.

Revenue Class--Specific revenues, such as real property taxes.

SMSA--Standard Metropolitan Statistical Area, as defined by the Bureau of the Census, United States Department of Commerce.

Subsidies and Transfers--The name of the object class used to allocate funds for a variety of public welfare and support costs and to transfer funds to other organizations, such as the Washington Metropolitan Area Transit Authority, for providing services to District residents.

Supplies--The name of the budgetary object class used to allocate funds for consumable materials.

Total Full-Time Equivalent (FTE) Employment--A measure of employment that reflects all full-time and part-time staff resources in terms of standard work years, based on a work year of 2,080 hours.

Transfers--Budget changes reallocating funds or positions between agencies or funds.

Unfunded Liabilities--Potential or actual debts for which no current funding is available.

WAE--The abbreviation for When Actually Employed, referring to part-time staff paid on an hourly basis.

Within-Grade Increase--A salary increase awarded to an employee based on longevity of service and acceptable performance.

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District of Columbia
Office of the Budget Staff
April 15, 1986

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